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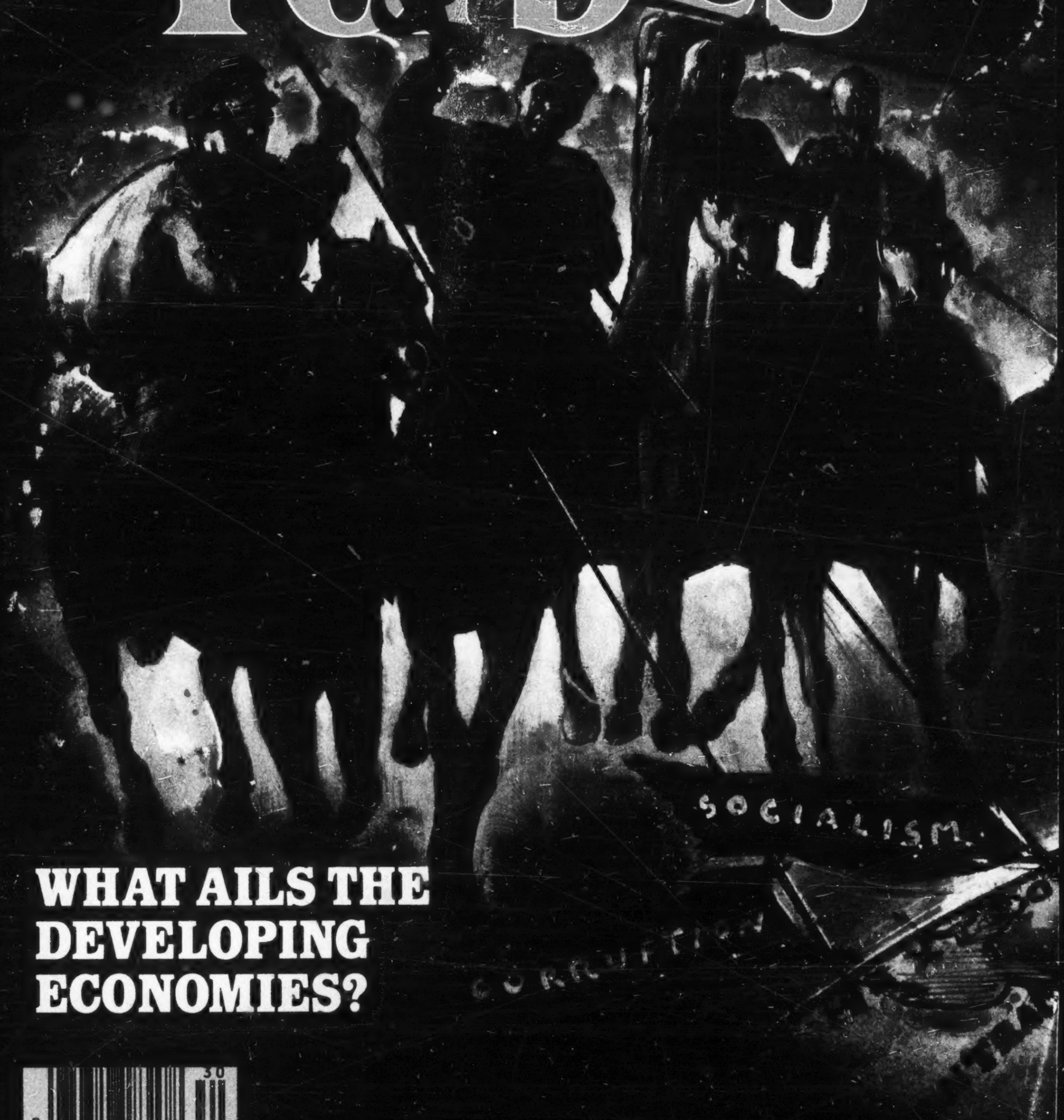
SPECIAL REPORT ON INTERNATIONAL BUSINESS

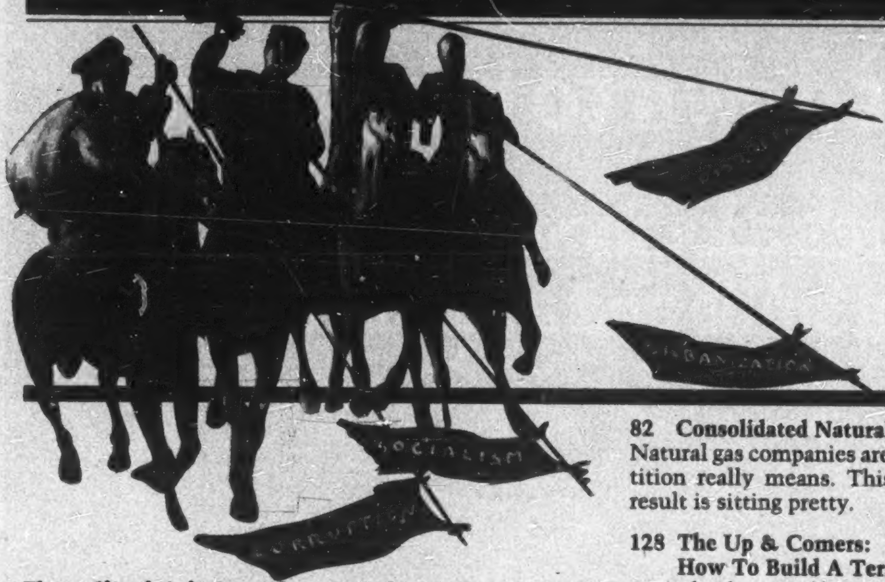
JULY 28, 1986 THREE DOLLARS FIFTY CENTS

Forbes


SOCIALISM.
CORRUPTION

WHAT AILS THE DEVELOPING ECONOMIES?

Forbes



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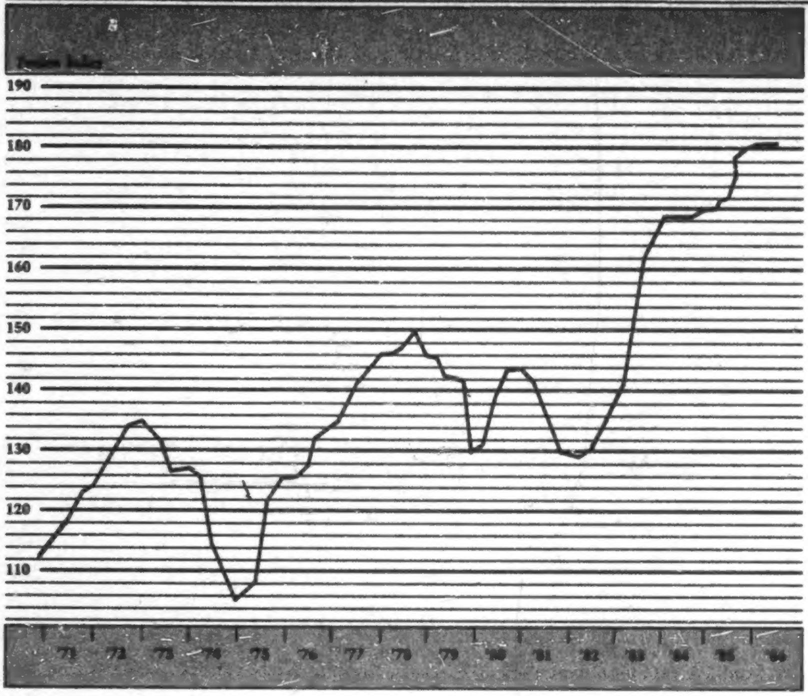
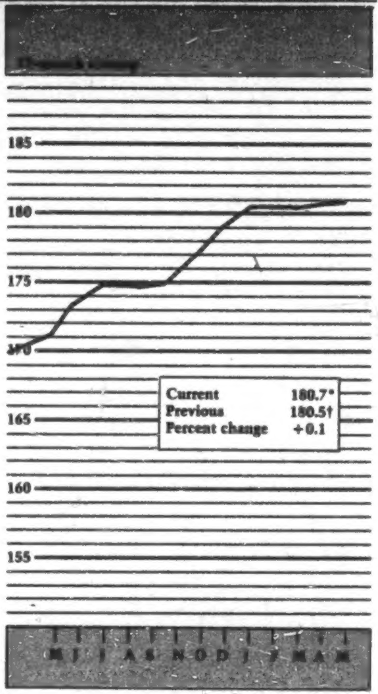
The Forbes Index





*preliminary †revised

No sign of a rebound. The Forbes Index, which has risen 0.7% since the beginning of the year, managed only a 0.1% increase during the latest reporting period. Manufacturing continues to be the weak spot.

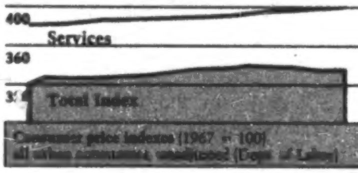
Even with a 0.3% decline in May inventory levels, for example, new orders for durable goods dropped 0.1%, the fourth consecutive month-to-month decline. In fact, new orders for durable goods stand only 33% higher than they did during the same time in 1982, the tail end of the last recession.

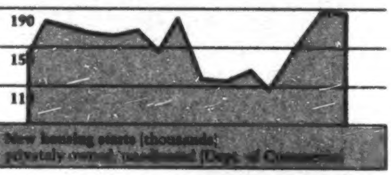
So what pushed the Index up? A 0.3% rise in the Consumer Price Index, the first month-to-month increase since January. Inflation, for now, is running at a modest 3.6% annual rate.

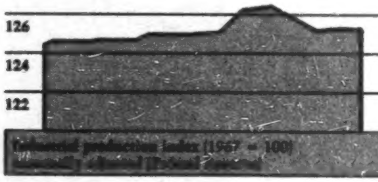
The Forbes Index Components

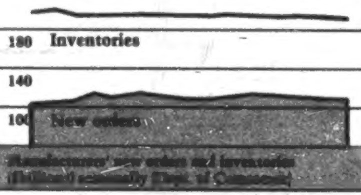
The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

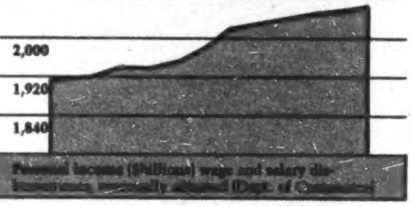
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.

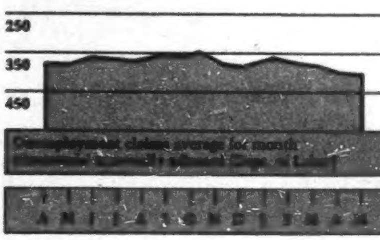


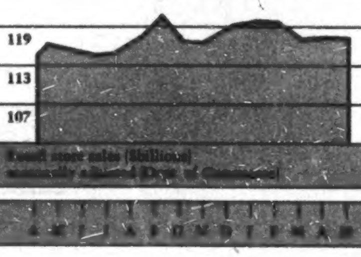


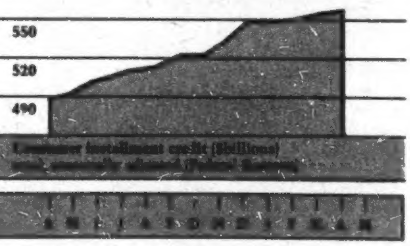












Rocky Mountain roulette

Beset by loan troubles, Colorado's five biggest independent banking firms have been left behind in 1986's runup in bank stocks. But if an interstate banking law passes next year in Colorado, as expected, these stocks could take off. United Banks of Colorado is one to watch.

Bank	Assets (millions)	Return on equity	Recent price	Price/ book value	Price/ est 1986 EPS
United Banks of Colo	$4,724	12%	32⅝	1.2	10.6
Colorado National	2,791	5	19	1.1	14.6
Affiliated Bankshares	2,528	5	15⅛	0.9	11.6
IntraWest Financial	1,146	5	14⅝	1.0	12.2
Commercial Bancorp	230	10	14¾	1.0	10.2

Assets and book value as of 3/31/86; return on equity for 12 months ending 3/31/86.

age for its three biggest independent competitors was 20%.

United shifted emphasis away from interest income to fee income earlier than others. The biggest gains came from United Capital Management, which runs some $3 billion in pension money for 33 customers. United has strengthened its profitable trust business. (Not all of United's ventures have succeeded. Forays into travel services, discount brokerage and international lending flopped.)

What now? Hart is preparing for his next major challenge: Colorado may soon join the majority of states by passing some type of regional interstate banking law early next year. For all the state's troubles, the long-term prospects are sufficiently bright that out-of-state banks will be happy to acquire their way into Colorado.

To meet the challenge, United plans to get bigger. President Charles Hazelrigg figures that to flourish as a strong regional competitor, United will have to reach "critical" size, roughly $10 billion in assets, twice the bank's current size. "To say that we can beat the big guys just because we're a homegrown Colorado bank is very naive," says Hart. "It doesn't work that way."

Where's the growth coming from? It's tough to make a buck today from big companies that have access to the commercial paper and junk bond markets. So United, like a lot of other banks, hopes to grow internally by concentrating on middle-market and retail customers. "That's the best way a regional bank can capitalize on its market position," says Hart. "You get cheaper core deposits, higher fees and more cross-selling opportunities."

To help get bigger, United has hit the acquisition trail. Last year the bank spent $45 million, 2.3 times book value, to buy $240 million (assets) Colorado Springs National Bank. It wanted to acquire Arizona's Continental Bank. But the deal—contingent on Colorado's passage of a regional bill—fell through when Chase Manhattan came in with a bid some $20 million higher than United planned to offer, at 2.8 times book.

You could fault Hart and company for not thinking big and trying to beat Chase's bid. But then again, you could have faulted them a half-decade ago for being too prudent in their lending policies. ■

Duane Hagadone has built himself a fancy resort hotel in the middle of nowhere. Why?

"I'm a dreamer"

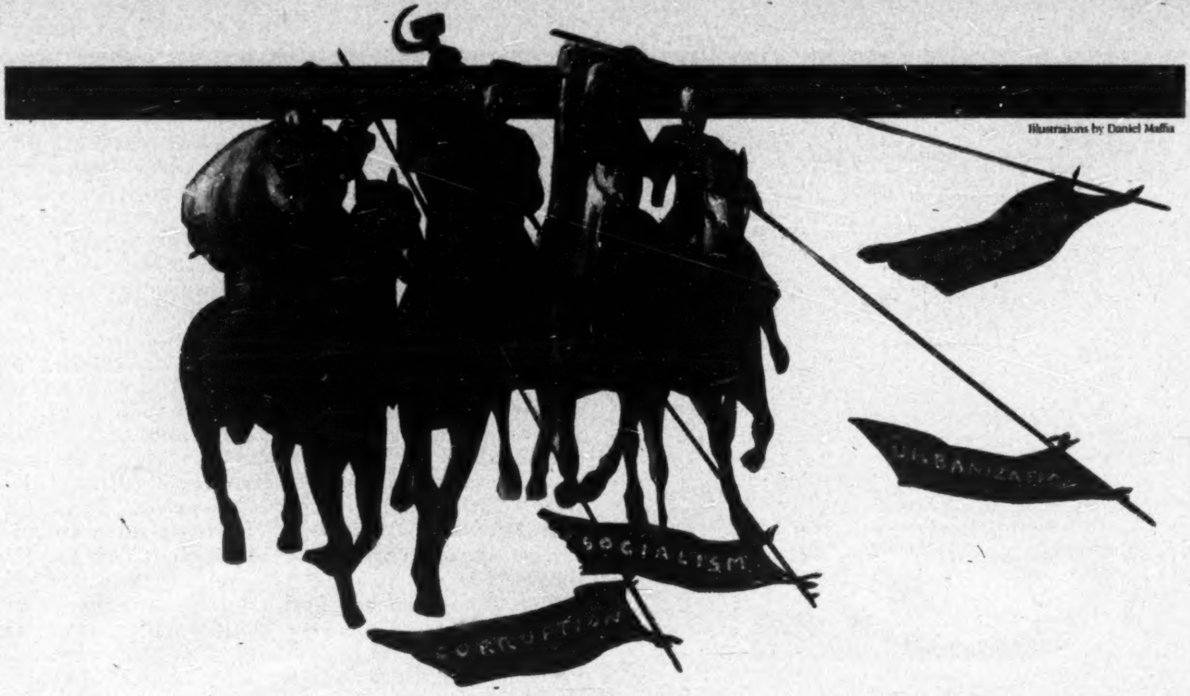
By Richard Behar

On a rainy Sunday in May a throng of 60,000 people—a crowd equal to half the population of the northern Idaho panhandle—descended upon the small lakeside community of Coeur d'Alene, and no one knew why better than Governor John Evans. Says he: "What Idaho needs is to clone Duane Hagadone 44 times and put one in each county."

Duane Hagadone is the largest private employer and taxpayer between Boise and the Canadian border. He owns all the major newspapers in the panhandle, the largest construction company and some of the state's most valuable real estate. The crowd had come to witness the opening of Hagadone's newest development project, a 340-room, 18-story resort complex called the Coeur d'Alene, by far the most lavishly appointed hotel in the Pacific Northwest. "I'm a dreamer," says Hagadone, "and I've always thought, 'What a fantastic location for a really classy hotel.' It's been on my mind for the last 15 years."

But, having accumulated a fortune that now pushes $100 million, Hagadone, at 53, faces his toughest challenge yet in making the Coeur d'Alene pay off. Having sunk more than $50 million, mostly leveraged, into it, Hagadone must contend with long and cold winters and lack of nearby tourist attractions and urban centers. There is a chance that Coeur d'Alene could become the biggest white elephant resort since William Zeckendorf's Freedomland 22 years ago.

But Hagadone didn't get where he is by shunning risks. A third-generation Coeur d'Alene resident who barely got through high school, Hagadone took charge of the family business—minority interests in four newspapers—at age 26. Besides those, he now owns more publications as well as a major radio station, several of the region's largest residential and commercial real estate projects and a chunk of



Illustrations by Daniel Maffia

Why have some countries gotten relatively rich while others sink deeper into poverty? History and culture have something to do with it, but rotten economic policies are the biggest villain.

The Four Horsemen ride again

By Norman Gall

In Buenos Aires hotel lobbies, Brazilian purchasing agents do deals to buy cheap, high-quality Argentinean leather to make shoes in Brazil and export them to the U.S. Why aren't the Argentineans, who badly need both the dollars and the jobs, using the good leather to make and export the shoes themselves? Because Argentina's economy is such a mess that it can no longer function in the world economy save as a producer of raw materials.

Argentina is not starving *(see box, p.102).* Its people are much better off than hundreds of millions of others in Africa and Latin America whose very survival is threatened by lack of capital, shrinking exports and cities that grew too big for the economies they feed on.

The Four Horsemen of this particular Apocalypse are natives of the countries they afflict. They are socialism, excessive urbanization, corruption and civil disorder.

Who or what unleashed them? Flint-hearted bankers, determined to extract their pound of flesh? That myth has lost its power even for Third World politicians struggling to avoid blame for their own shortcomings. If the bankers are at fault, it is because their loans too often enabled governments to continue bad economic policies.

Capitalist imperialism to blame? If that were true, the Soviet-bloc developing countries would be better off than the noncommunist developing nations. The opposite is true: Pro-Western South Korea booms, while Marxist-Leninist-Maoist North Korea, in addition to being horribly repressive of human rights, is economically dreary and stagnant. Communist North Korea's per capita income is scarcely half that of capitalist South Korea's. Cuba exists solely on Soviet subsidies. Soviet-bloc developing countries stagnate under the heavy hand of totalitarian bureaucracies that repress human initiative.

By and large, even the poorest of the noncommunist developing nations fares far better than most of the Soviet-bloc developing nations. But why do the noncommunist Third World countries show such uneven development? Why are South Korea and Taiwan booming and Brazil developing fast while many other Latin American and African countries are running downhill? Because the successful ones, like South Korea and Taiwan, have submitted to the discipline of free markets; where Taiwan and South Korea have intervened in the economy it has been to push private industry toward greater efficiency and an export orientation. The less successful developing countries have used state intervention to create useless jobs and for ideological reasons. Take Peru. As many as half of all Peru's salaried workers are employed by the government. This may help keep governments in power, but it drains rather than feeds the economy. Money that ought to go for job creation goes instead to maintain economically unproductive bureaucrats. People who could be making shoes or processing food are instead shuffling pieces of paper. Because so many developing countries have chosen the path of bureaucracy rather than of market discipline, the worldwide transformation in mortality—which has halved death rates in poor countries since 1950—is threatening to reverse. The blunt truth is that conditions in large parts of the world are deteriorating.

Never before in history have living standards risen so far as in the four decades since World War II. In many poor countries, people have been linked in new networks: roads, airports, telephones, electricity, radio, TV. But now much of this is crumbling.

According to the World Bank, features of modern society to which many Africans have been exposed are withering. Trucks no longer run because there are no spare parts and roads have become impassable; airplanes no longer land at night in some places because there is no electricity to light the runway. Even where foreign donations of food and medicines flow in, they become less and less useful as the internal distribution system deteriorates.

Trucks no longer run because there are no spare parts and roads have become impassable; airplanes no longer land at night in some places because there is no electricity to light the runway. Even where foreign donations of food and medicines flow in, they become less and less useful as the internal distribution system deteriorates.

In Africa and Latin America, governments built impressive hospitals in the big cities that fed the job boom in the health care industries. But local currency can only pay salaries. Fast dwindling is the foreign exchange needed to buy medicines and instruments.

Visit the big hospital in the squatter settlement of Collique, on the outskirts of Lima. It lacks X-ray plates, thread for suturing, serum tubes and injection needles. Razor blades are used for small surgeries. The new 150-bed wing is filled in the summer with children dehydrated by chronic diarrhea and in the winter with others suffering from bronchial and lung diseases. At a police office in the lobby, mothers and newborn babies are fingerprinted to make it easier to identify abandoned infants.

Peruvian mothers abandon their babies today because the country's economy no longer can sustain further population increases in squatter communities like Collique. Peruvian real per capita income has returned to 1965 levels, wiping out the gains of two decades. Since 1975 per capita consumption of wheat and fat products has fallen sharply, even though a large part of Peruvian demand is covered by foreign donations and concessionary sales. A soapmaker says sales of his products also are falling because "people have less clothes to wash."

URBANIZATION
SOCIALISM
CORRUPTION

Peru is typical of many overpopulated poor countries throughout the world, where cities are swelling out of control without an infrastructure, an industry or an agriculture sufficient to support them. In sub-Saharan Africa urban populations are growing by 6% yearly, one of the fastest rates at any time or place in history. Cities like Lagos and Nairobi and Kinshasa have absorbed modern technologies of consumption much faster than the technologies of production.

How do the uprooted rurals survive in the cities? In Peru's Collique, the only productive activity in sight is people building more shacks. Outside the shrinking world of the formally employed, there has been a swarming of street-sellers. Youths eke out a living by stealing sewer caps and selling them as scrap iron, or by roving in bands at night, carrying empty flour sacks from U.S. Food for Peace donations, to steal the crops from the small truck farms at the edge of Lima, just beyond the squatter settlements. It is no different in many other Latin American and African cities.

Having become much more efficient at absorption than they are at production and distribution, the Third World cities grow not only because of high birth rates but because—thanks to modern transportation—they are easier to reach today, and because they provide access to cheap goods and services (from schools and hospitals to foreign food donations) that cannot be had in a stagnant and forgotten countryside.

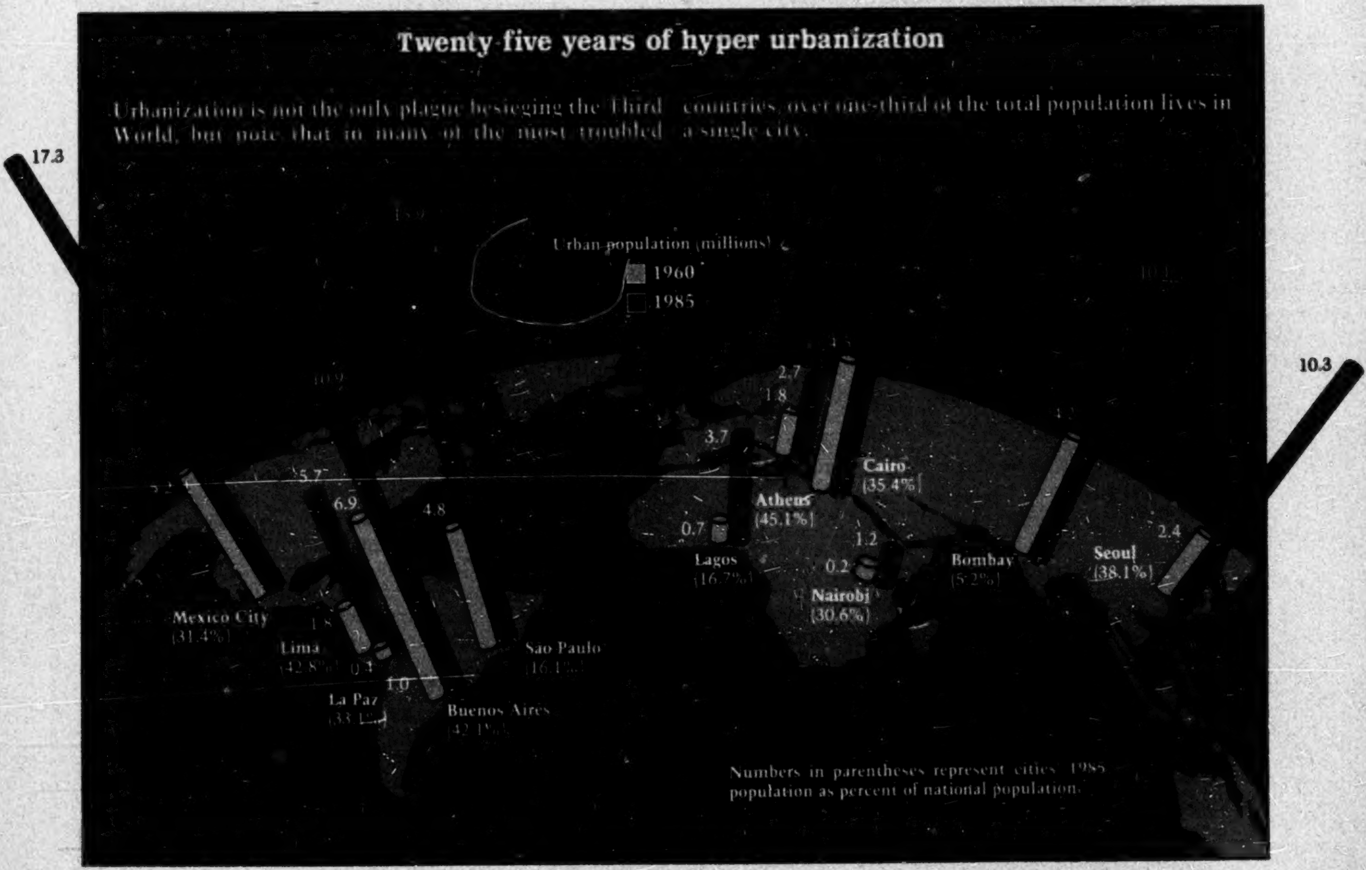
Mexico City's population has grown in this century from 344,000 to 18 million, pushing Tokyo-Yokohama to become the world's biggest metropolis.

In 1950 all but four of the world's ten biggest cities were in the richer countries. Today all but two are in less-developed countries.

In 1907 Nairobi, now the capital of Kenya, then the capital of British East Africa, had only 4,737 inhabitants. It was a mere outpost. By 1950 the population grew to 130,000, and it is 1.2 million today. But there is insufficient industry to support the city. It lives off hinterland agriculture and foreign loans and charity.

Jeffrey Sachs, an economics professor at Harvard, suggests that one of the reasons for the big differences in economic performance between Asian and Latin American countries is that Asia is much less urbanized. Among the most economically successful countries in Asia have been ones like Malaysia—with 38% of its people in towns and cities—whose economy grew by an average of 7% yearly over the past two decades, or Thailand—20% urban—with economic growth at 7% since 1965. The countries in deepest trouble have from one-fourth to one-third of their populations piled into a single city like Santo Domingo, Mexico City, Santiago or Buenos Aires. (By contrast, Brazil has ten cities of more than 1 million people.)

These miserably poor cities, unproductive in nearly every sense, drain resources needed for development and goods that could otherwise be exported. They require sewers and roads and water supplies and clinics, but produce nothing to pay for these amenities. Lower urbanization levels in Asia made it possible for Asian countries to achieve much higher levels of capital formation than Latin America. In 1982 gross domestic fixed investment averaged 25% of GDP in five Asian nations (China, India, Indonesia, Korea, Taiwan)—more than doubling since



Twenty-five years of hyper urbanization

Urbanization is not the only plague besieging the Third World, but note that in many of the most troubled countries, over one-third of the total population lives in a single city.

Numbers in parentheses represent cities' 1985 population as percent of national population.

URBANIZATION
SOCIALISM
CORRUPTION

"You have to have an exporting mentality, seeking opportunities and designing for foreign markets. You must have an exchange rate that makes it possible to export profitably, not a historically overvalued currency that protects inefficiency and unproductive concentrations of people in the cities," says an Argentinean trade expert.

1950—while investment in Latin America went down, from 23% to 20%.

Why are some Third World countries raising themselves by their bootstraps, as Brazil and South Korea, say, are doing, while others, like Nigeria and Mexico, sink daily lower? Why are the sprawling cities of Seoul and Taipei economic assets, while Mexico City and Lagos are dumps of human misery? Why is Argentina productive only in such raw materials as beef and hides, while South Korea produces 256K RAM chips?

"You have to have an exporting mentality," says Elvio Baldinelli, a Buenos Aires trade expert. Here he puts his finger on the policy differences that seem to separate the rising Third World countries from the falling ones.

Says Baldinelli: "You have to seek opportunities and design your shoes for foreign markets. You must have an exchange rate that makes it possible to export profitably, not a historically overvalued currency that protects inefficiency and unproductive concentrations of people in the cities. Argentina despised its export industries and taxed them very heavily, yet lived off them very well until markets closed and prices fell." You can sum up Baldinelli's explanation in a sentence: To succeed in the modern world, a country needs economic policies that encourage, not hamper, economic initiative. You must submit your economy to the disciplines of the marketplace. This is politically difficult but economically essential.

"In the big hotels of Seoul and Taipei, the lobbies are full of U.S. purchasing agents bringing samples of parts and finished products to order cheap copies from Korean or Taiwanese manufacturers," says Frank Veneroso, an international financial consultant. Few purchasing agents haunt hotel lobbies in Nairobi or Lagos or Lima.

In Africa and Latin America, governments consistently have hurt exporters by overvaluing exchange rates to protect and enlarge the consumption levels of the people in the cities.

Here's how the bad policies worked in the glaring case of Mexico:

On the eve of its 1982 debt crisis, the Mexican government was holding the peso at a greatly overvalued rate—29 to the dollar—thus keeping imports of food and other consumption items relatively cheap but so seriously penalizing Mexican exports that almost nothing but oil was exportable. The dollar was so artificially cheap that wealthy and middle-class Mexicans happily changed pesos into dollars, which ended up back in the U.S., but in private Mexican names. Now Mexico can't pay its debts.

In Mexico and throughout much of Latin America, people foolish enough to save have been robbed systematically. Anyone foolish enough to leave $1,000 (U.S.) worth of Peruvian currency in a Peruvian savings account since 1970 would have had only $150 left by June 1985. The situation in Mexico was worse in some ways. To encourage Mexicans to keep dollar assets at home, the government permitted them to maintain dollar deposits in Mexican banks. But when the peso collapsed, the government repudiated the dollar deposits, settling them in pesos at a substantial loss to depositors. It will be another generation before Mexicans will trust their own government again.

While small savers were frequently penalized, insiders were raking it in. Private and government banks lent money to business partners and political insiders at negative rates. Banks usually lost lots of money from bad loans and from lending at below-inflation interest but were bailed out by the government printing press. Says a former Peruvian Economics Ministry official: "Industrial profits were spectacular during the 1970s, with abundant government credit for industry at negative interest. If you owned a factory, you could buy dollars from the government at special cheap rates to import machinery, parts and materials. You could then move the cheap dollars out of the country by overbilling machinery imports by 200% or 300%. We know of imported factories that produced fortunes for their owners without the machinery ever being taken out of the crates. They're still in warehouses waiting to be assembled." So much for state subsidies.

In South Korea the state also was deeply involved in development efforts. Its government bankrolled new industries with cheap credit. But, unlike Mexico and Peru, it always had its eye on prices and standards of the world economy. It did not try to insulate its own economy from the marketplace.

As a Japanese colony until after World War II, Korea developed a strong educational system and valuable commercial experience as part of the prewar Japanese export machine. So when Korea started developing on its own, it had the skills to do better than the Mexicans and Peruvians. It's not only what you do but how you do it.

Governments always have promoted economic development. They did it in ancient China and 18th-century Germany and prewar Japan. After World War II, they were deeply involved in development efforts throughout the Third World. The efforts that succeeded were those showing the greatest sensitivity to market forces.

Take Brazil, one of the most successful of the developing countries. Although its industries were protected from foreign competition, they had to keep prices low in markets of low-income people. This cost discipline, together with government export subsidies, enabled Brazil to raise manufactured exports by roughly 30% yearly from 1970 to 1982, about as fast as Korea and Taiwan. Last year Brazil exported $3.2 billion in cars, trucks and parts, enough to cover nearly 30% of the $10.4 billion in interest paid on its huge foreign debt.

On the other hand, African governments have done so badly that few people today remember that Africa once showed quite remarkable economic progress. In Ghana in the 1890s there were no roads, and only 3,000 children were in school. Goods were carried along jungle paths on the backs of porters. By the time Ghana gained independence, in 1957, the British had built a network of railways and roads, and more than half a million children were in school. Ghana's cocoa exports rose from 1,000 tons in 1900 to 300,000 tons in 1950. Nigeria's exports of palm kernels went from 52,000 tons in 1900 to 347,000 tons in 1951. Back-country towns that had been slave markets became centers of the groundnut trade by the 1930s. Trade in these commodities was largely in the hands of highly competitive small merchants and farmers.

And then came independence. Independence was not the problem. The chosen economic policies were the problem. Ghana adopted bastard socialism, bred first by British socialists and then expanded by African nationalists. The British started the trouble with government monopoly of export of all major crops, licensing of commercial activities, and state enterprises that used subsidies to spawn big bureaucracies that paid below-market prices to peasant farmers. Farmers stopped producing and started moving to the cities. As independence neared, Ghana's Cocoa Marketing Board became the cash cow for the political ambitions of Kwame Nkrumah, Ghana's first president. Since the mid-1960s, Ghana's cocoa production has fallen by half while its urban population has tripled.

Swelling with pride that they were no longer in thrall to foreigners, many countries ignored the fact that they were cutting the arteries that bound them economically to the rest of the world; they were seceding from the world economy. Most of the state companies that took over from foreigners were geared to one or a few traditional product lines—tin, copper, oil. This drastically reduced the capacity of many countries to respond to changes in the outside world. Each state enterprise has a vested interest in its own product. Conditions change—the U.S. now uses 30% less metal per unit of production than it used a decade ago—but the metal-producing nations missed the signals because the economic sensors were cut. They went on producing senselessly, just as the squabbling members of OPEC are doing in oil today.

"Until 30 or 40 years ago, foreign businessmen influenced decisively the orientation of Latin American economies," explains a senior World Bank economist. "This insured a reasonable consistency between what was being produced and what was being demanded by world markets. Then governments took the place of foreigners. They created many production bureaucracies in state corporations that were created when private investors were nationalized in extractive industries like mining and oil."

Why not shut down copper mines or tin mines until supply catches up with demand? Why give the stuff away? Because these countries need foreign exchange earnings at almost any cost, and because workers at these nationalized industries need their jobs for survival in a shrinking economy. There is no longer a market-clearing mechanism at work to align production with levels of consumption. Instead, enormous amounts of resources and credit-creation are employed wastefully to sustain and expand excess capacity.

In declaring last year that his country could no longer fully service its foreign debt, Peruvian President Alan García paid ritual obeisance to anti-gringo myths, but then spoke bluntly to his country: "If we must denounce the unjust origins of the debt, we also must accept that as a people we have not had sufficient strength or courage to change the direction of our history." The real problem—as García well knows—is that fewer than 10% of the public-sector loans to Peru in 1970-85 were invested productively. Much of the rest went for food imports and for buying French Mirage fighter planes and Soviet military hardware. In 1983-85 foreign loans provided one-third of total government spending.

As the foreign loans dry up, too few new exports arise to replace the foreign exchange that loans once provided. In Africa, governments make desperate pacts with the IMF for spending cuts and currency devaluations to improve the official balance of payments and to get a little more loan money to ward off financial collapse.

But human needs and human aspirations thwart these belated attempts at discipline. According to an article in London-based *South Magazine,* which focuses on developing countries, Nigeria is the source of contraband oil bound for Europe, as well as of textiles, detergents, spare parts and tape recorders smuggled into the back country of Togo, Benin, Ghana, Niger, Chad and Cameroon. About a fifth of Ghana's cocoa crop is smuggled out of the country in 30-kilo sacks carried through the bush on the backs of young men to the ports of the Ivory Coast and Togo. The young men carry back to the bush TVs and stereo sets, building materials, perfumes, watches and jewelry. These

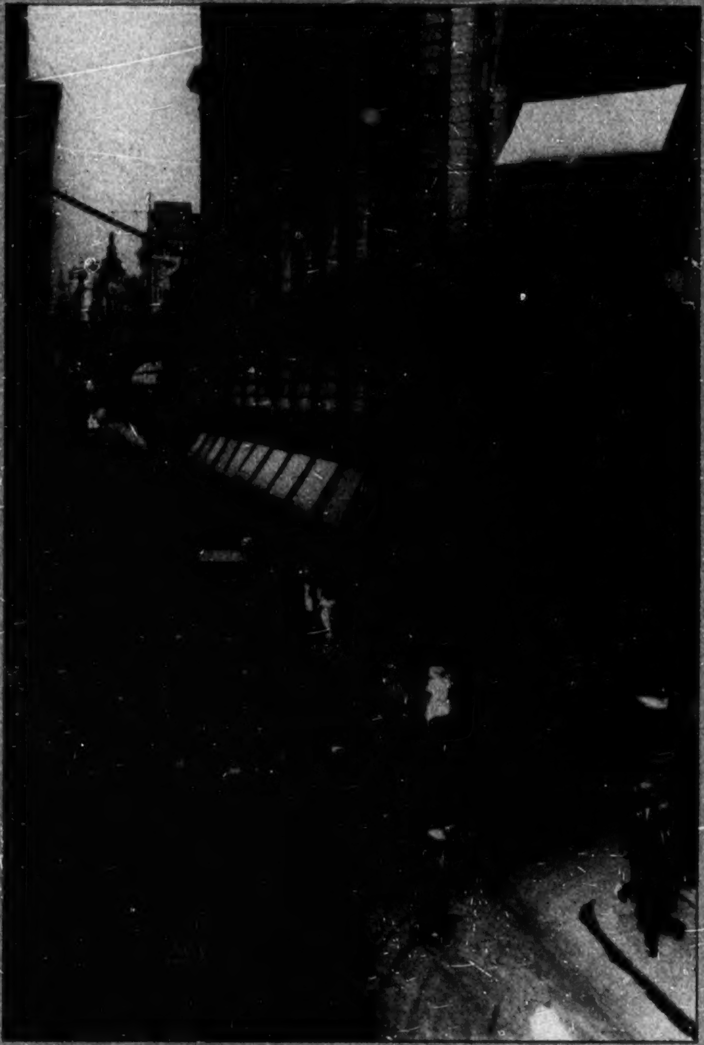
Paying the piper

The U.S. is a debtor country now, in that it owes more abroad than it owns abroad. Despite the sharp decline in the dollar versus the yen and deutsche mark, our balance of payments is hemorrhaging. Pessimists see an alarming parallel with the circumstances that reduced Argentina from a rich country to a threadbare one.

The Argentinean paradox: a country that has everything yet has nothing. Argentina was once rich. Its great bonanza, in the decades before 1914, came from the swelling European demand for imported foodstuffs and the development of cheap ocean transport. Grain and beef exports boomed. Hourly pay rates in Buenos Aires, flooded by European immigrants, were 25% higher than in Paris and 80% higher than in Marseilles.

In the half-century before 1914, Argentina's economy grew by roughly 5% yearly, one of the highest long-term growth rates in economic history. Foreign financing was abundant, and British investors were fond of saying that a million pounds invested in Argentinean railroads would bring forth more salable commodities than the same money placed anywhere else in the world.

The Argentineans really lived it up. In French farce at the turn of the century, the rich Argentinean rancher played much the same buffoon role of vulgar display that the Texas oilman was to play later.



UPI/Bettmann Newsphotos

Buenos Aires in 1924

Argentinean habits of overconsumption did not change.

The U.S. boomed around the same time as Argentina did, and Americans reinvested heavily in steel mills, in railroads, in textile plants. While Americans saved and invested productively, Argentineans spent. Almost overnight Buenos Aires became one of the world's biggest and most beautiful cities. Was capital needed for all this? The rest of the world was happy to provide both loans and equity capital.

The tide began to turn in the 1920s. Europe began its long march toward self-sufficiency in food, and finally the Common Market's agricultural subsidies drove Argentina to the sidelines of the beef trade and made it a residual grain supplier.

During the good years the Argentineans never developed the habits of enterprise. In 1962 the manufactured exports of both Brazil and Argentina were a pittance: $39 million. Today Brazil's are four times greater than Argentina's. At present, net investment is zero in Argentina. Since 1979 per capita income has fallen by 16%, returning to the level of 1966.

When it could no longer subsidize the high-living cities with farm exports, Argentina borrowed the money. For Argentina, the convenience of depending on foreign financing lasted until the early 1980s. Today Argentina owes $50 billion to foreign creditors. The foreigners now lend Argentina only enough to make interest payments.

The glamour of Buenos Aires is wearing shabby. The well-kept subway lines still use the wooden cars installed by the French in 1904. By the early 1980s Argentinean wages were down to Korean levels (or, rather, Korean levels were up to Argentina's levels). Even with low food prices, 17% of the Argentinean people now are living on government food doles.

Draw your own moral.—N.G.

[redacted]

exchanges build on both ancient intertribal trade and the extensive systems, involving many African intermediaries, commanded in colonial times from the ports by European and Arab import-export firms.

Peru's overvalued exchange rate today is wiping out the country's role as a major minerals exporter. Meanwhile, it survives in the world economy by smuggling coca paste to the cocaine trade, which brings in more foreign exchange than petroleum, its biggest official export.

In Bolivia, the bulk smuggling trade extends to a wide range of products: tin concentrates stolen from nationalized mines, coca paste from the jungle valleys of the Chapare, gasoline, alpaca wools and foreign food donations. Most passengers on Bolivia's creaking railroads are the *hormiga* ("ant") smugglers carrying bundles from the border towns of Peru, Argentina, Chile and Brazil.

Maybe the saddest thing of all is this: While the contraband trade is surprisingly efficient in providing consumer goods (especially if it circulates part of the proceeds from export smuggling of high-value products like coca paste or gold or diamonds), it does poorly in supplying technology and capital goods needed to keep the modern sector of a country's economy running. Dope and smuggling help keep stomachs filled but don't help with the long-term problem of jobs and production.

In this threatening climate, with the Four Horsemen threatening to ride down the helpless masses of so many countries, there's lots of talk in the media about corruption. But what is corruption? It is a market of favors, usually official favors. The more government control, the more government dominance of the economy, the greater the opportunity for and demand for the buying and selling of official papers. (With a totally government-dominated economy, the Soviet Union looks to many observers as the most corrupt society in the world.) In places where people can't live from production, they live by granting and receiving favors. Most Third World corruption is not a mark of national character but a by-product of poverty and socialism. The challenge is to make the market for production more important than the market for favors.

What are the chances for reversing the policies that have impoverished so much of the world? For both rich and poor countries, two important developments have taken place recently to begin correcting these distortions.

First, governments are finding it harder to subsidize uneconomic capacity. This difficulty is behind such events as last fall's collapse of the London tin market and this year's breakup and privatization of the moneylosing Japanese National Railways.

Second, rich and poor governments are adjusting their currency exchange rates. The outstanding example is the depreciation of the dollar since last September. But even more dramatic are the efforts of the poorest nations of sub-Saharan Africa to arrest their economic decline with radical devaluations prescribed by the IMF and the World Bank. In late 1985 Zambia started auctioning the foreign exchange needed for most trade transactions. Within three weeks, the value of the kwacha fell by two-thirds. In Zaire the effective exchange rate fell by 75% after the zaire was floated. Guinea, Ghana, Gambia, Madagascar and Mauritania are pursuing similar schemes.

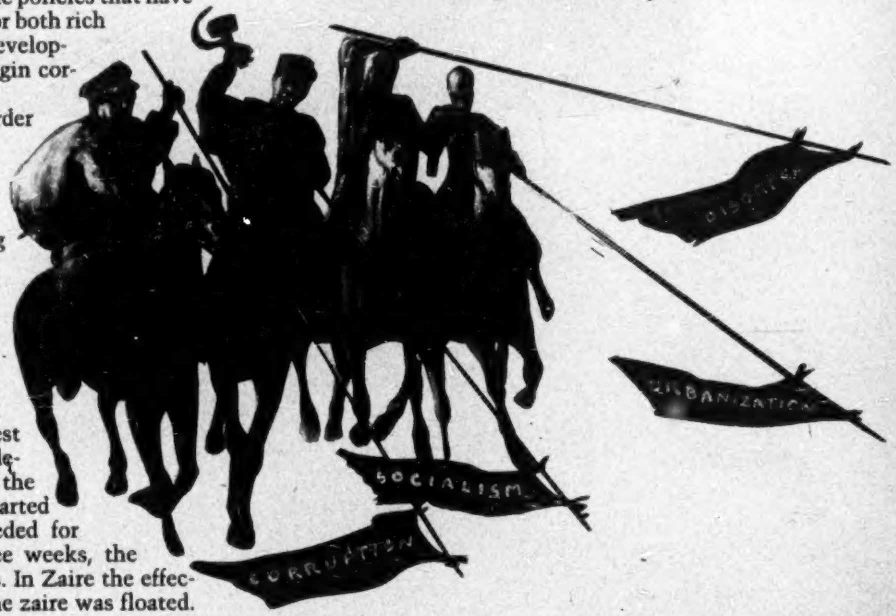
These devaluations, imposing sacrifices on long-favored city populations, often are accompanied by increases in producer prices to farmers aimed at generating more exports and more self-sufficiency in food.

These new policies, while essential, will be hard to carry out. Once granted, economic goodies are hard to take back. Democratic or autocratic, socialistic or capitalistic, governments cannot redistribute wealth that doesn't exist.

What can the richer countries do? They can back the brave efforts of those developing countries that take the hard necessary steps. But the capital these countries need cannot be bestowed as a gift or created by political edict. It can be raised in only two ways: by less consumption at home, and with policies that attract foreign investment. This, unfortunately, means even lower standards of living—but that is happening anyhow. The slide can be stopped only with firm political determination. Without it, there is little the richer countries can do to help save the poor countries from the Four Horsemen. ■

[redacted]

"If we must denounce the unjust origins of the debt, we also must accept that as a people we have not had sufficient strength or courage to change the future," admits Peru's President Alan García. The real problem—as García well knows—is that fewer than 10% of the public-sector loans to Peru in 1970-85 were invested productively.



THE FORBES FOREIGN RANKINGS

Gaping trade deficits. Gyrating currencies. Foreign stock markets that climb 80% and more inside of six months. The need to keep a clear head and know what's going on outside our borders has never been greater.

On the following 35 pages, FORBES presents a comprehensive picture of the scope and scale of global business today. We open, on page 172, with a list of the 100 cheapest stocks outside the U.S. Despite the sharp rise in many markets, there are still plenty of opportunities for global investors.

Then, on page 176, is our list of the 500 largest foreign companies—The Forbes Foreign 500, with $3.19 trillion in revenues among them, up from $3.07 trillion in 1984. Note that The Foreign 500 companies' sales last year exceeded those of the largest U.S. companies—The Forbes Sales 500—by 20%. Note, too, that the presentation of The Foreign 500 has been completely changed. We hope you find it more useful than ever.

We continue, on page 200, with the largest foreign investors in the U.S. and a survey of how these investments are doing. Following that, on page 207, is our analysis of the 100 largest U.S. multinationals, the real pros in foreign markets.

Finally, starting on page 212, we present 100 foreign stocks that are widely traded in the U.S. Something for all readers as the world economy grows ever more interdependent.

The 100 cheapest foreign stocks

Never before have so many American investors put so much money—an estimated $4 billion last year—into other countries' equity markets. The trickle of foreign funds (Japan Fund in 1962, Mexico Fund in 1981, Korea Fund in 1984) has become a deluge. In this year alone funds were launched for Italy, France, Germany, Australia and Scandinavia. Long content with 5,800 exchange-listed stocks and thousands more issues available over-the-counter, U.S. investors now want to scour the rest of the world for opportunity.

Is the supply of information and quality of securities research up to the task? Probably not. But it is getting much better, and fast. It took a leap forward early this year when Morgan Stanley & Co. bought from the Capital Group, the Los Angeles money management firm, the publication, the database and the market indexes of hitherto little-known Capital International Perspective, of Geneva.

Morgan Stanley Capital International Perspective, as the service is now called, is a global investor's dream. The service currently follows over 1,700 companies, 462 of which are U.S. companies. This universe has a combined market capitalization of $3.8 trillion—one-third more than the capitalization of the Wilshire index of more than 5,800 U.S. securities. Overall, Capital International Perspective covers stocks in 19 countries that together account for approximately 75% of the world's market values.

Most important, MSCIP attempts to measure all these companies, industries and markets against a uniform value system. MSCIP's standards of value: price-to-earnings, price-to-book-value, price-to-cash-flow and yield. MSCIP publishes this invaluable information every month.

Suppose you want to know the world's lowest- and highest-P/E markets. Rather than use the indexes published by local authorities, MSCIP calculates its own indexes for the 19 countries it follows. This allows investors to compare one stock market with another on the same basis. According to MSCIP's July publication, the Mexican market was cheapest, at 4.5 times earnings, while the tiny Austrian market was most expensive, at 58.5 times earnings.

The U.S. market? Despite the big rally, it is right in the middle of the pack *(see chart, below).*

Which industry group is cheapest in relation to its component companies' book values? Oilfield equipment and services, selling at 87% of book. What industries yield the most? Gold mines (9%) and telecommunications (4.9%).

And likewise for individual companies. In the automobile sector (as of May 30), Volkswagen was selling for 7 times earnings, Mazda for 9.4 times, Nissan Motor for 14.4 times.

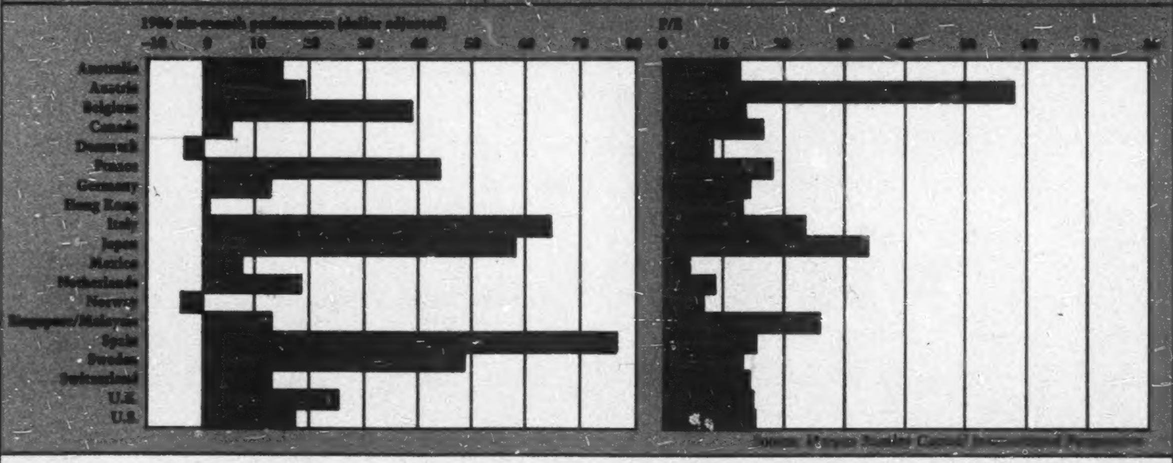
According to Morgan Stanley's Mark H. Sladkus, who runs MSCIP, his firm intends to spend millions to enhance the research and add new companies and services.

Using MSCIP's data, we have put together the following list of the 100 cheapest stocks outside the U.S. Our basic criterion for cheapness is the price-to-earnings ratio. But note that these stocks are cheap relative to their own markets. That is, we selected stocks whose most recent P/Es were no more than 60% of the P/E for their particular markets. Example: MSCIP's market P/E for Canada (as of May 30) was 16.4. The 11 Canadian stocks in the following table sell at no more than 9.8 times earnings, 60% of the market multiple.

We then introduced two more screens. Stocks with market capitalizations under $100 million were

The world view

With a 17.7% first-half gain, U.S. stocks were only average performers among the 19 countries covered by the Morgan Stanley Capital International Perspective. Seven nations' stocks also have higher P/Es.



Source: Morgan Stanley Capital International Perspective

The 100 cheapest foreign stocks

excluded, on the grounds that such companies are probably too illiquid and information on them too difficult to get (always dangers for international investors). We also eliminated companies selling for more than 3 times book value, as an extra value cushion. Stock prices are as of May 30 and are converted into U.S. dollars at rates prevailing on that date. Market capitalization, however, reflects year-end 1985 prices and shares outstanding; capitalization was converted to dollars at year-end exchange rates.

What survived our screen? A cross section of the world's wealth and misery, its hopes and fears.

The first four stocks on the list appear incredibly cheap, and with reason: They are risky South African gold mining shares. The cheapest stock, Buffelsfontein, sells at only 1.5 times last year's earnings and yields 22%. Western Areas, number two on our list, sells for 2.3 times earnings, at 43% of book, and yields 4.7%.

South Africa too risky for you? Our list includes 37 Japanese companies. Growing protectionist sentiment in foreign markets and declining margins in formerly hot items like VCRs and compact disk players have turned off many Japanese investors on some former stars. Some of the Japanese stocks on our list—Nisshin Steel and Chugoku Electric Power, for example—are virtually unknown to most American investors. But there are several household names as well. Sony, Mazda, Hitachi, Toyota Motor—all sell for less than 60% of MSCIP's Japanese market P/E of 32.1.

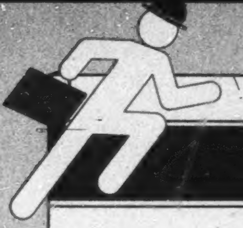
Speaking of Toyota: Note that it sells at a P/E of 10, vs. 6.6 for General Motors. So is Toyota more expensive than GM? Only if you think the Japanese market as a whole is too expensive. Toyota sells at 32% of the Japanese market P/E, whereas General Motors sells at 45% of MSCIP's P/E (14.8) for U.S. stocks.

Is buying low-P/E stocks the way to invest overseas, if invest overseas you must? Frankly, we don't know the answer to that question. FORBES columnist David Dreman has studied U.S. stocks and argues convincingly that over time low-P/E stocks offer the best risk-adjusted rewards. Unfortunately, we are not aware of similar studies made on foreign stocks. Come to think of it, the following list is not a bad place to start. Any finance Ph.D. students out there looking for a dissertation topic?

Company	Country	Industry	—Stock price— recent	% change since 1/1/86	P/E	Price/ cash flow	Price/ book value	Yield	Market value* (millions)
Buffelsfontein	South Africa	gold mining	$18.16	−19.9%	1.5	NA	0.43	22.0%	$249
Western Areas	South Africa	gold mining	2.33	−7.9	2.3	NA	0.43	4.7	102
Harmony	South Africa	gold mining	7.57	−24.6	2.3	NA	0.88	14.9	238
Randfontein Estates	South Africa	gold mining	64.90	−4.5	2.5	NA	0.88	9.8	415
Den Danske Bank AF 1871	Denmark	banking	37.48	−16.1	2.6	NA	0.66	4.7	625
Vitro	Mexico	misc materials	4.47	36.4	2.6	1.7	0.31	2.2	187
Tricentrol	UK	oil & gas	0.89	−60.8	2.7	0.9E	0.34	11.9	205
Copenhagen Handelsbank	Denmark	banking	31.78	−21.8	2.8	NA	0.57	5.5	608
Saint-Helena	South Africa	gold mining	11.06	1.2	2.9	NA	1.10	17.3	105
Orange Free State	South Africa	gold mining	51.78	NA	2.9	NA	0.76	9.0	611†
Free State Cons (Steyn)	South Africa	gold mining	8.20	3.2	3.2	NA	0.83	13.5	1,301†
Danske Provinsbanken	Denmark	banking	37.48	−22.4	3.3	NA	0.94	4.7	266
Nedlloyd	Netherlands	shipping	62.45	−22.3	4.0	0.9	0.25	8.6	262
Eastern Asia Navigation	Hong Kong	shipping	0.18	19.2	4.2	NA	1.30	7.0	256
Lasmo	UK	oil & gas	1.70	−52.7	4.4	1.2	0.50	15.0	429
Britoil	UK	oil & gas	2.58	−15.9	4.7	2.1	1.46	10.5	1,509
Imetal	France	nonferrous metals	10.24	−1.6	5.1	1.2E	0.27	0.0	120
Bridge Oil	Australia	oil & gas	0.64	−59.1	5.5	3.5	0.69	0.0	233
Privatbanken	Denmark	banking	31.08	−21.2	5.5	NA	0.64	5.6	399
Banco de Vizcaya	Spain	banking	43.93	119.6	5.9	NA	1.66	3.5	476

*Dec. 31, 1985. †March 31, 1986. E: Estimate. NA: Not available or not applicable.

Source: Morgan Stanley Capital International Perspective.



SPECIAL REPORT ON INTERNATIONAL BUSINESS

The 100 cheapest foreign stocks

Company	Country	Industry	Stock price		P/E	Price/ cash flow	Price/ book value	Yield	Market value* (millions)
			recent	% change since 1/1/86					
Société Ntl Elf Aquitaine	France	oil & gas	$42.02	54.4%	5.9	2.5E	0.72	6.5%	$2,667
Lloyds Bank	UK	banking	8.22	13.9	6.0	NA	0.86	5.4	2,508
Ampol Exploration	Australia	oil & gas	1.43	−18.4	6.1	5.1	1.12	—	157
Ntl Westminster Bank	UK	banking	11.21	9.8	6.2	NA	0.92	5.3	3,587
Canadian Imp Bk Commerce	Canada	banking	13.41	−13.5	6.5	NA	0.74	5.8	1,509
Bayer AG	Germany	chemicals	129.06	11.8	6.7	4.8	1.62	5.2	5,733
Santos	Australia	oil & gas	2.89	−23.6	6.7	4.4	2.09	4.9	867
Denison Mines	Canada	oil & gas	4.99	−55.3	6.8	1.6E	1.75	—	449
Husky Oil	Canada	oil & gas	5.80	−23.8	6.9	3.0	0.75	2.5	706
Queensland Coal Trust	Australia	oil & gas	1.14	12.7	6.9	5.6	1.93	14.7	451
National Australia Bank	Australia	banking	4.40	38.7	6.9	NA	1.04	4.6	1,040
Total Petroleum	Canada	oil & gas	20.12	28.3	7.0	3.3E	1.80	1.8	339
Volkswagen	Germany	automotive	242.63	14.5	7.0	2.6	1.97	2.8	4,737
ANZ Group Holdings	Australia	banking	4.07	29.5	7.0	NA	0.95	5.4	1,014
Norcen Energy Res (Voting)	Canada	oil & gas	9.97	−17.3	7.1	3.9E	1.13	3.6	654
Makita Electric	Japan	electrical equip	6.77	19.2	7.1	6.0E	1.34	1.5	568
Preussag	Germany	multicompany	80.45	−26.7	7.1	2.6	1.64	6.7	829
Coal & Allied Industries	Australia	oil & gas	2.93	−18.0	7.2	3.7	0.98	3.4	108
Honda Motor	Japan	automotive	6.71	−2.5	7.2	4.3E	1.37	1.0	5,369
Westpac	Australia	banking	3.83	18.6	7.2	NA	1.21	5.2	1,558
Royal Bank of Canada	Canada	banking	23.02	−8.3	7.3	NA	0.99	6.3	2,462
Schroders	UK	financial services	10.15	18.3	7.4	NA	1.26	2.2	263
Bank of Nova Scotia	Canada	banking	10.79	4.4	7.6	NA	1.08	4.6	1,513
Total Cie Fr des Pétroles	France	oil & gas	49.99	28.0	7.7	1.4E	0.46	8.1	1,178
Barclays	UK	banking	7.40	5.2	7.7	NA	1.10	5.3	4,725
Mo och Domsjo (B)	Sweden	paper & forest prods	116.98	24.8	7.7	3.9	0.79	2.7	205
Ultramar	UK	oil & gas	2.60	−12.4	7.8	3.2E	0.63	8.5	791
Winsor	Hong Kong	textiles & apparel	1.08	62.5	8.1	6.9E	1.82	6.6	127
Toronto-Dominion Bank	Canada	banking	17.04	−4.6	8.3	NA	1.39	3.6	2,407
Hoechst	Germany	chemicals	126.05	1.1	8.4	4.5	1.97	5.3	6,117
Bank of Montreal	Canada	banking	24.02	−4.0	8.4	NA	1.19	5.9	1,963
Hong Kong Rlty & Trust (A)	Hong Kong	real estate	1.39	−11.3	8.8	NA	0.91	4.2	262
Wing Lung Bank	Hong Kong	banking	3.59	−4.7	8.8	NA	1.67	6.0	132
Canada Northwest Energy	Canada	oil & gas	12.24	−28.9	8.9	5.4	1.31	1.8	280
Inter-City Gas	Canada	electric/gas utility	11.05	−9.0	8.9	3.4E	1.37	3.9	222
Matsushita Elec Trading	Japan	wholesale & intl trade	12.22	−3.2	9.2	NA	1.50	0.7	1,435
Mazda Motor	Japan	automotive	2.28	2.0	9.4	3.9	1.24	1.9	1,820
Shell Refining	Malaysia	oil & gas	1.05	1.1	9.9	7.5E	1.42	3.1	157
Toyota Motor	Japan	automotive	8.72	24.6	10.0	6.8	1.54	1.1	16,221
Tasek Cement	Malaysia	building materials	0.56	−46.0	10.1	7.6	1.65	5.2	198

*Dec. 31, 1985. E: Estimate. NA: Not available or not applicable.

Source: Morgan Stanley Capital International Perspective.

The 100 cheapest foreign stocks

Company	Country	Industry	Stock price recent	Stock price % change since 1/1/86	P/E	Price/cash flow	Price/book value	Yield	Market value* (millions)
Malayan Banking	Singapore	banking	$1.15	−30.6%	10.3	NA	0.85	3.0%	$562
Koyo Seiko	Japan	indus components	3.27	12.6	10.6	NA	1.50	0.9	354
United Overseas Bank	Malaysia	banking	1.47	1.2	11.4	NA	1.09	2.9	607
Sony	Japan	appliances	20.65	−11.8	11.6	5.7	1.39	1.2	4,698
Perlis Plantations	Malaysia	misc materials	1.17	12.0	11.7	10.6E	1.51	3.6	180
Matsushita Elec Industrial	Japan	appliances	8.83	20.3	11.7	7.1E	1.38	0.6	11,374
United Plantations	Malaysia	misc materials	1.14	−3.2	12.1	10.1	1.94	2.5	167
Fuji Heavy Industries	Japan	automotive	3.03	0.8	12.5	4.5E	1.43	1.5	978
Hitachi Ltd	Japan	electrical equip	5.22	16.7	13.0	5.4E	1.56	1.0	10,917
Sanyo Electric	Japan	appliances	2.47	7.5	13.4	7.9E	1.22	1.9	2,254
Mitsubishi Electric	Japan	electrical equip	2.02	0.9	13.8	4.7E	1.62	2.3	3,124
Toshiba	Japan	electrical equip	2.41	13.5	14.2	4.5	1.99	1.9	4,934
Nissan Motor	Japan	automotive	3.16	−3.3	14.4	NA	0.88	2.5	6,196
Brother Industries	Japan	appliances	3.55	11.5	14.6	NA	1.63	1.6	704
Fuji Photo Film	Japan	recreation	15.26	31.0	14.9	9.3	1.97	0.5	3,736
Hitachi Maxell	Japan	recreation	15.60	−14.2	14.9	8.9	2.23	0.6	1,542
Sumitomo Metal Inds	Japan	steel	0.83	3.6	15.1	3.0	1.19	3.4	1,865
Nisshin Steel	Japan	steel	0.90	8.3	15.7	NA	1.35	3.2	591
Lane Marzotto (Risparmio)	Italy	textiles & apparel	3.69	34.0	15.8	8.0E	2.41	3.8	109
Chugoku Electric Power	Japan	electric/gas utility	10.15	14.9	16.0	4.9E	2.14	2.8	2,676
Chubu Electric Power	Japan	electric/gas utility	12.33	16.2	16.4	6.2E	2.49	2.3	6,606
Canon	Japan	recreation	6.20	−4.4	16.4	7.0	1.83	1.2	3,177
NTN Toyo Bearing	Japan	indus components	2.71	17.4	16.7	7.0	1.67	1.7	710
Sumitomo Corp	Japan	wholesale & intl trade	4.53	14.3	17.0	NA	2.26	0.9	2,569
Mitsubishi Paper Mills	Japan	paper & forest prods	2.86	20.6	17.1	8.4E	2.37	1.4	478
Tokyo Sanyo Electric	Japan	appliances	2.54	−2.9	17.1	8.1E	1.49	1.5	1,348
Maeda Construction	Japan	construct & housing	5.05	18.6	17.5	NA	1.49	1.0	605
Murata Manufacturing	Japan	electronics	13.71	4.8	17.6	11.5E	2.78	0.6	1,790
Amada	Japan	machinery & engnring	5.32	11.0	17.8	15.3	1.65	1.6	809
Toyoda Automatic Loom	Japan	machinery & engnring	4.99	11.7	17.8	NA	1.71	1.4	965
Saipem Ord	Italy	oilfield equip & svcs	3.58	14.3	17.8	6.3E	1.86	3.9	606
TDK	Japan	electronics	23.06	−9.3	18.1	8.9E	1.99	1.0	2,656
Mitsui Shipbuilding	Japan	machinery & engnring	0.83	5.1	18.2	NA	1.16	—	458
Kyushu Electric Power	Japan	electric/gas utility	10.10	17.3	18.3	4.9E	1.96	2.8	3,354
Komatsu	Japan	machinery & engnring	2.79	−6.2	18.3	8.2E	1.08	1.6	2,137
Omron Tateisi	Japan	electrical equip	8.55	−8.6	18.3	9.4E	2.39	0.7	1,387
Oji Paper	Japan	paper & forest prods	3.72	33.9	18.7	NA	2.83	1.1	1,270
Sharp	Japan	appliances	6.02	14.7	19.2	9.0	2.15	1.0	3,338
Saffa (Ord)	Italy	paper & forest prods	5.74	11.6	20.2	10.8E	2.00	3.8	160
Cartiere Burgo (Ord)	Italy	paper & forest prods	7.48	25.2	21.5	5.1	1.62	2.9	170

*Dec. 31, 1985. E: Estimate. NA: Not available or not applicable.

Source: Morgan Stanley Capital International Perspective.

The 500 largest foreign companies

THE FIRST THING to notice about The Forbes Foreign 500, which begins on the next page, is the way it looks. In the past, we have simply listed foreign companies in order of revenues. You know: An oil company (Royal Dutch/Shell) is followed by some trading companies (Mitsui, Mitsubishi, et al.), which are followed by Toyota and an Italian conglomerate.

We still rank foreign companies in order of revenues—1 through 500—but to help the reader deal with the sometimes unfamiliar company names, the following tables are organized by industry groupings.

The 500 companies are broken down into 33 industry groupings, arranged alphabetically, Aerospace & Defense through Utility. In the lefthand column of each listing, you will find the company's sales rank within the entire group of 500 for the current and the prior year. In the aerospace and defense industry, for example, $3.4 billion (revenues) British Aerospace Plc. moved from 299th place in 1984 to 289th place last year.

If you are looking for a particular company rather than for industry groups, turn to the index starting on page 194, which lists all 500 companies alphabetically and tells where to find them. The table below identifies the 25 largest foreign companies in order of revenues.

We think listing auto companies with auto companies, retailers with retailers, makes sense. It mirrors the way most investors go about evaluating stocks. Suppose you buy the idea of international portfolio diversification and want to check out foreign chemical companies. The listing on page 180 includes the 26 largest chemical and drug companies outside the U.S.

Our categories do not tell you which stocks to buy. No list does. But we include basic financial data to help you separate the chicken salad from the other stuff, and get your research started. Year-end price/earnings ratios can be calculated from the market value and net income columns; price/sales ratios can be figured from market value and revenues columns.

In this way, investors can get an idea of where the relative values lie inside each industry. Note, for example, that Toyota had a market capital of $16.2 billion, whereas the Daimler-Benz Group, which is the fourth-largest foreign automaker by size, had a larger market capital, $17.1 billion. But Mercedes' profits, $589 million last year, were only 36% of those of Toyota.

The 25 largest companies outside the U.S.

Rank	Company	Country	Industry	Revenue (millions)
1	**Royal Dutch/Shell Group**	Netherlands/UK	oil & gas	$81,791
2	**Mitsui & Co Ltd**	Japan	trading	72,065
3	**Mitsubishi Corp**	Japan	trading	70,520
4	**C Itoh & Co Ltd**	Japan	trading	59,564
5	**Marubeni Corp**	Japan	trading	56,128
6	**Sumitomo Corp**	Japan	trading	54,504
7	**British Petroleum Co Plc**	UK	oil & gas	53,131
8	**Nissho Iwai Corp**	Japan	trading	37,687
9	**Toyota Motor Corp**	Japan	automotive	27,137
10	**ENI-Ente Nazionale Idrocarburi**	Italy	oil & gas	24,461
11	**IRI Group**	Italy	multicompany	23,515
12	**Nippon Telegraph & Telephone Corp**	Japan	communications	23,029
13	**Hitachi Ltd**	Japan	multicompany	22,663
14	**Unilever**	Netherlands/UK	food processing	21,639
15	**Matsushita Electric Industrial Co**	Japan	consumer electronics	20,853
16	**Pemex-Petróleos Mexicanos**	Mexico	oil & gas	20,414
17	**Toyo Menka Kaisha Ltd**	Japan	trading	20,200
18	**Elf Aquitaine Group**	France	oil & gas	20,105
19	**TOTAL Group-Française des Pétroles**	France	oil & gas	19,267
20	**Nissan Motor Co Ltd**	Japan	automotive	18,945
21	**Nichimen Corp**	Japan	trading	18,172
22	**Philips Group**	Netherlands	electrical equipment	18,078
23	**Volkswagen Group**	Germany	automotive	17,935
24	**Siemens Group**	Germany	electrical equipment	17,841
25	**Daimler-Benz Group**	Germany	automotive	17,802

The 500 largest foreign companies

The new presentation has another virtue. It gives a snapshot of the inner structure of the foreign corporate world. The 500 companies have an aggregate $3.19 trillion in revenues and 24 million employees. But only 5 companies, with total sales of $18 billion and 325,000 workers, are in aerospace and defense. The automotive category, by contrast, includes 27 companies, with $212 billion in sales. Banking contains 47 banks with over $420 billion in revenues last year. It will be interesting to see how the components change.

What of these 500 largest foreign companies as a group? To make our list, a company needed most recent fiscal year revenues of at least $2.1 billion. Last year the cutoff was $2 billion. The 5% jump suggests that even adjusting for inflation, the big are getting bigger. The gap between the smallest and the largest companies closed somewhat. In 1984 revenues of the largest company (Royal Dutch/Shell) were 43 times those of the smallest company. Last year the ratio was 41-to-1.

From where do the 500 hail? Muscular Japan leads with 153 companies (16 more than last year), with overall revenues of $1.18 trillion—37% of the entire group's revenues. Second-place Britain, with 71 companies (4 fewer than in 1984), accounted for $460 billion in revenues. Germany, which again places third in terms of aggregate sales, fielded 2 fewer companies but showed a 19% increase in sales, to $375 billion.

Companies from 32 countries are represented. Asian companies, mirroring robust economic conditions in the region, now account for over 40% of revenues, a 4% increase over last year.

Rank 1985	Rank 1984	Company	Country	Fiscal year-end	Revenue[1] (millions)	Net income (millions)	Assets (millions)	Market value of common[2] (millions)	Employees (thousands)
		AEROSPACE & DEFENSE							
113	89	**General Electric Co Plc**	UK	Mar	$7,004	$521	$6,024	$6,331	165.6
252	351	**Aérospatiale Group**	France	Dec	3,812	60	7,176	none[3]	43.2
289	299	**British Aerospace Plc**	UK	Dec	3,432	164	3,960	1,697	75.6
483	472	**Panavia Aircraft**	Germany	Dec	2,156	2	3,398	none[5]	0.2
499	■	**Rolls-Royce Ltd**	UK	Dec	2,075	99	1,763	none[3]	41.4
		AUTOMOTIVE							
9	10	**Toyota Motor Corp**	Japan	June	27,137	1,626	17,189	16,221	79.9
20	26	**Nissan Motor Co Ltd**	Japan	Mar	18,945	334	14,415	6,196	108.5
23	27	**Volkswagen Group**	Germany	Dec	17,935	225	14,139	4,737	259.0
25	34	**Daimler-Benz Group**	Germany	Dec	17,802	589	14,438	17,123	231.1
42	44	**Fiat Group**	Italy	Dec	14,192	694	18,840	4,785	226.2
48	45	**Renault Group**	France	Dec	13,593	–1,215	13,935	none[3]	196.4
50	60	**Honda Motor Co Ltd**	Japan	Feb	12,776	643	9,323	5,369	53.7
60	64	**Peugeot Groupe SA**	France	Dec	11,162	34	9,310	1,009	176.8
69	63	**Volvo Group**	Sweden	Dec	10,018	520	8,434	3,047	67.9
112	117	**Robert Bosch Group**	Germany	Dec	7,208	124	6,099	none[3]	140.4
116	116	**Mazda Motor Corp**	Japan	Oct	6,795	160	4,433	1,820	27.6[4]
132	136	**BMW-Bayerische Motoren Werke**	Germany	Dec	6,140	102[4]	2,993[4]	2,776	53.9
177	162	**Michelin Group**	France	Dec	4,830	111	6,930	1,134	110.0
206	184	**BL Plc**	UK	Dec	4,427	–178	3,280	none[3]	77.8
223	303	**Isuzu Motors Ltd**[4]	Japan	Oct	4,137	54	3,289	1,422	16.0
237	273	**Nippondenso Co Ltd**	Japan	Dec	4,002	179	3,872	4,739	39.2
262	321	**Saab-Scania Group**	Sweden	Dec	3,700	160[6]	3,505	1,416	45.2
272	283	**Bridgestone Corp**	Japan	Dec	3,623	88	3,776	1,433	32.8
291	334	**Asahi Glass Co Ltd**	Japan	Dec	3,429	127	4,030	4,875	17.4
302	234	**Pirelli Group**	Switzerland/Italy	June	3,349	78	3,639[5]	1,265[8]	62.0
365	348	**GKN Plc**	UK	Dec	2,851	55	2,325	902	52.0

■Not ranked last year. [1] Revenue figures are for group or consolidated operations and exclude taxes and duties. [2] As of Dec. 31, 1985. [3] Not publicly traded. [4] Not fully consolidated. [5] Figures are latest available. [6] Profit before appropriations adjusted to a 50% tax rate to more closely conform to U.S. accounting. [7] Based on current cost accounting. [8] Combined market value. [9] Estimates taken from Japan Company Handbook. NA: Not available. E: FORBES estimate. P: Pro forma for merger since last fiscal year-end.

General note: Revenue and net income are converted at an average rate of exchange for the fiscal year; assets are converted at fiscal year-end rate. For companies with January, February and March fiscal year-ends, 1985 figures are used when more current data are not available.

SPECIAL REPORT ON INTERNATIONAL BUSINESS

The 500 largest foreign companies

AUTOMOTIVE

Rank 1985	Rank 1984	Company	Country	Fiscal year-end	Revenue[1] (millions)	Net income (millions)	Assets (millions)	Market value of common[2] (millions)	Employees (thousands)
371	377	**Suzuki Motor Co Ltd**	Japan	Mar	$2,770	$34	$1,638	$741	12.4[4]
374	400	**Fuji Heavy Industries Ltd** [4]	Japan	Mar	2,752	61	1,669	978	13.9
387	390	**Kubota Ltd**	Japan	Apr	2,620	61	2,853	2,416	18.0
446	444	**Daihatsu Motor Co Ltd**	Japan	June	2,293	28	1,301	644	17.0
491	■	**Yamaha Motor Co Ltd**	Japan	Apr	2,107	1	1,486	514	9.7[4]
496	482	**Nissan Shatai Co Ltd** [4]	Japan	Mar	2,082	17	627	273	6.9

BANKING

Rank 1985	Rank 1984	Company	Country	Fiscal year-end	Revenue[1] (millions)	Net income (millions)	Assets (millions)	Market value of common[2] (millions)	Employees (thousands)
51	17	**Bank Hapoalim BM**	Israel	Dec	12,760	263	21,515	16,904	9.8
61	59	**National Westminster Bank Plc**	UK	Dec	11,145	572	104,680	3,587	92.0
64	51	**Barclays Group**	UK	Dec	10,849	583	99,949	4,725	105.9
65	56	**Banque Nationale de Paris Group**	France	Dec	10,707	221	123,081	none[3]	59.3
68	61	**Crédit Lyonnais Group**	France	Dec	10,057	133	111,458	none[3]	54.9
72	81	**Banco do Brazil**	Brazil	Dec	9,789	1,376	56,081	2,596	117.5
76	90	**Dai-Ichi Kangyo Bank Ltd**	Japan	Mar	9,344	252	131,298	21,935	21.1[4]
78	67	**Midland Bank Group**	UK	Dec	9,298	158	83,888	1,496	78.6
81	101	**Fuji Bank Ltd**	Japan	Mar	9,243	248	130,212	17,462	15.8[4]
83	71	**Société Générale Group**	France	Dec	9,172	145	97,626	none[3]	44.2
84	97	**Sumitomo Bank Ltd**	Japan	Mar	9,157	316	122,907	19,057	14.5[4]
89	119	**BRADESCO Group**	Brazil	Dec	8,679	429[7]	9,821[7]	1,301	159.0
95	91	**Crédit Agricole**	France	Dec	8,102[4]	123	124,586	none[3]	74.1
97	110	**Mitsubishi Bank Ltd** [4]	Japan	Mar	7,900	254	115,559	16,580	15.1
98	49	**Bank Leumi le-Israel BM**	Israel	Dec	7,887	134	21,776	1,464	14.2
99	111	**Sanwa Bank Ltd**	Japan	Mar	7,856	242	110,267	15,690	15.8[4]
101	92	**Lloyds Bank Group**	UK	Dec	7,623	531	63,280	2,496	71.0
103	94	**Paribas Group**	France	Dec	7,472	150	72,902	none[3]	28.0
107	93	**Royal Bank of Canada**	Canada	Oct	7,391	360	70,259	2,463	37.4
115	130	**Industrial Bank of Japan Ltd**	Japan	Mar	6,867	183	91,568	11,169	5.6[4]
119	123	**Bank of Tokyo Ltd**	Japan	Mar	6,590	213	114,588	6,728	14.3
121	108	**Deutsche Bank Group**	Germany	Dec	6,562	368	96,371	12,159	48.9
126	122	**Bank of Montreal**	Canada	Oct	6,305	250	60,310	1,963	33.3
134	155	**Banco Itaú Group**	Brazil	Dec	6,107	224[7]	6,151[7]	386	87.4
142	228	**BANESPA Group**	Brazil	Dec	5,867	157[7]	6,332[7]	85	32.2
144	132	**Canadian Imperial Bank of Commerce**	Canada	Oct	5,804	266	55,491	1,509	33.6
152	177	**Long-Term Credit Bank of Japan Ltd**[6]	Japan	Mar	5,587	115	73,251	7,680	3.4
153	152	**Norinchukin Bank** [4]	Japan	Mar	5,569	100	85,847	none[3]	3.1
155	185	**Tokai Bank Ltd**	Japan	Mar	5,525	165	82,180	8,229	13.7[4]
156	175	**Mitsui Bank Ltd** [4]	Japan	Mar	5,498	143	78,092	8,852	11.2
165	154	**Dresdner Bank**	Germany	Dec	5,147	146	76,651	4,160	33.1
173	229	**Banca Nazionale del Lavoro**	Italy	Dec	4,908	126	57,135	none[3]	25.4
175	■	**Bancomer**	Mexico	Dec	4,860	142	9,927	none[3]	32.5
189	209	**Banco Nacional de México-Banamex**	Mexico	Dec	4,656	119	11,008	none[3]	27.4

■Not ranked last year. [1] Revenue figures are for group or consolidated operations and exclude taxes and duties. [2] As of Dec. 31, 1985. [3] Not publicly traded. [4] Not fully consolidated. [5] Figures are latest available. [6] Profit before appropriations adjusted to a 50% tax rate to more closely conform to U.S. accounting. [7] Based on current cost accounting. [8] Combined market value. [9] Estimates taken from Japan Company Handbook. NA: Not available. E: FORBES estimate. P: Pro forma for merger since last fiscal year-end.

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The 500 largest foreign companies

Rank		Company	Country	Fiscal year-end	Revenue[1] (millions)	Net income (millions)	Assets (millions)	Market value of common[2] (millions)	Employees (thousands)
1985	1984								
		BANKING							
190	174	**Bank of China**	China	Dec	$4,651	$627	$56,686	none[3]	28.3
198	196	**Westpac Banking Group**	Australia	Sept	4,600	272	34,781	$1,567	43.4
199	168	**Bank of Nova Scotia**	Canada	Oct	4,558	224	44,686	1,513	25.8
204	211	**Suez Group**	France	Dec	4,455	168	39,778	1,678	15.5
211	250	**Taiyo Kobe Bank Ltd**[4]	Japan	Mar	4,346	78	64,269	5,491	14.9
213	343	**Australia & New Zealand Banking Group**	Australia	Sept	4,335	244	30,276	1,014	38.0
227	202	**Westdeutsche Landesbank Group**	Germany	Dec	4,054	15	57,737	none[3]	7.5
229	329	**Sanpaolo Group**	Italy	Dec	4,044	274	42,183	none[3]	17.4
231	220	**CARIPLO Group**	Italy	Dec	4,030	90	39,325	none[3]	13.6
232	224	**Générale Bank Group**	Belgium	Dec	4,028	82	40,932	876	29.5
235	112	**IDB Bankholding Corp Ltd**	Israel	Dec	4,009	73	11,475	795	7.9
238	222	**Union Bank of Switzerland**	Switzerland	Dec	4,000	281	67,157	10,192	18.7
241	227	**Toronto-Dominion Bank**	Canada	Oct	3,955	306	36,746	2,407	20.4
244	252	**Monte dei Paschi di Siena Banking Group**	Italy	Dec	3,900E	163	28,855[5]	none[3]	17.4
253	240	**Commerzbank**	Germany	Dec	3,803	116	55,752	2,646	24.2
271	315	**Unibanco Group**	Brazil	Dec	3,630	64[7]	3,350[7]	63	42.4
274	264	**Bayerische Vereinsbank Group**	Germany	Dec	3,608	70	53,792	2,089	13.1
278	247	**Swiss Bank Corp**	Switzerland	Dec	3,521	245	61,609	8,012	14.8
285	346	**Nippon Credit Bank Ltd**[4]	Japan	Mar	3,447	70	44,718	3,954	1.9
293	139	**Standard Chartered Group**	UK	Dec	3,425	192	41,649	959	33.0
312	320	**CIC-Crédit Industriel et Commercial**	France	Dec	3,268	71	35,273	none[3]	25.5
320	403	**Mitsubishi Trust & Banking Corp**[4]	Japan	Mar	3,207	76	67,755	5,551	6.3
329	337	**Nacional Financiera SA**	Mexico	Dec	3,178	30	15,805	none[3]	3.5
338	314	**Commonwealth Banking Corp Group**	Australia	June	3,096	183	23,345	none[3]	36.9
343	339	**Bayerische Hypotheken-und Wechsel-Bank**	Germany	Dec	3,050	72	45,764	2,553	11.9
348	449	**Mitsui Trust & Banking Co Ltd**	Japan	Mar	3,004	64	58,447[4]	4,765	5.4[4]
350	369	**National Australia Bank Group**	Australia	Sept	2,994	245	25,002	1,040	23.6
363	411	**Daiwa Bank Ltd**[4]	Japan	Mar	2,887	65	57,549	4,249	9.6
372	■	**Bamerindus Group**	Brazil	Dec	2,761	56[7]	2,644[7]	123	22.7
375	486	**Sumitomo Trust & Banking Co Ltd**[4]	Japan	Mar	2,752	77	61,940	5,403	5.9
381	370	**Banco di Napoli**	Italy	Dec	2,711	8	29,603	none[3]	13.5
383	446	**Kyowa Bank**[4]	Japan	Mar	2,664	58	41,299	3,461	10.0
388	402	**Bayerische Landesbank Girozentrale**	Germany	Dec	2,609	48	46,781	none[3]	4.1
390	412	**Shoko Chukin Bank**	Japan	Mar	2,590	19	37,390	none[3]	6.7
393	457	**Saitama Bank Ltd**[4]	Japan	Mar	2,584	61	38,984	3,081	8.6
394	372	**Crédit Suisse**	Switzerland	Dec	2,582	206	42,697	5,852	12.7
407	■	**Yasuda Trust & Banking Co Ltd**	Japan	Mar	2,500	42	48,635	3,127	5.2
415	169	**Banco de la Nacion Argentina**	Argentina	Dec	2,444	153	8,951	none[3]	20.2
417	481	**Kredietbank NV**	Belgium	Mar	2,429	70	28,336	623	11.6

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SPECIAL REPORT ON INTERNATIONAL BUSINESS

The 500 largest foreign companies

Rank		Company	Country	Fiscal year-end	Revenue[1] (millions)	Net income (millions)	Assets (millions)	Market value of common[2] (millions)	Employees (thousands)
1985	1984								
		BANKING							
423	■	**Hokkaido Takushoku Bank Ltd** [4]	Japan	Mar	$2,410	$39	$31,211	$2,450	7.0
425	420	**Banco Central Group**	Spain	Dec	2,384	131	52,519	784	25.4
436	430	**Banque Bruxelles Lambert**	Belgium	Sept	2,342	35	27,479	373	13.3
447	424	**DG Bank Group**	Germany	Dec	2,289	65	42,158	none[3]	4.2
460	471	**Svenska Handelsbanken**	Sweden	Dec	2,240	108[6]	21,633	789	6.1
461	376	**Skandinaviska Enskilda Bank Group**	Sweden	Dec	2,238	130[6]	22,966	1,257	8.1
468	454	**Banco di Sicilia**	Italy	Dec	2,224	10	18,711	none[3]	9.3
469	■	**Export-Import Bank of Japan**	Japan	Mar	2,218	NA	24,356	none[3]	0.5
485	■	**Banco Hispano Americano**	Spain	Dec	2,148	77	19,229	319	19.8
486	484	**Japan Development Bank**	Japan	Mar	2,142	150	29,633	none[3]	1.1
492	500	**Crédit Communal de Belgique**	Belgium	Dec	2,102	18	23,922	none[3]	2.9
495	■	**Bank of Yokohama Ltd**	Japan	Mar	2,085	66	29,674	3,209	7.0
497	478	**Norddeutsche Landesbank Group**	Germany	Dec	2,082	26	37,628	none[3]	6.0
		BEVERAGES							
261	298	**Allied-Lyons Plc**	UK	Mar	3,745	270	4,562	2,647	70.3
445	422	**Kirin Brewery Co Ltd**	Japan	Jan	2,300E	136	2,537[5]	3,325	7.5[4]
467	426	**Bass Plc**	UK	Sept	2,224	204	3,026	3,102	71.3
488	■	**Seagram Co Ltd**	Canada	Jan	2,113	319	6,274	4,566	14.3
		BUILDING PRODUCTS							
102	106	**Saint-Gobain**	France	Dec	7,555	83	10,077	none[3]	148.9
487	458	**Pioneer Group**	Australia	June	2,125	67	1,273	647	7.6
		CHEMICALS & DRUGS							
31	33	**BASF Group**	Germany	Dec	16,198	338	11,517	5,646	130.2
36	35	**Bayer Group**	Germany	Dec	15,600	427	12,332	5,733	176.1
40	40	**Hoechst Group**	Germany	Dec	14,511	407	11,119	6,117	180.6
45	48	**Imperial Chemical Industries Plc**	UK	Dec	13,903	663	12,013	7,123	118.6
105	96	**CIBA-GEIGY Group**	Switzerland	Dec	7,415	440	10,867[7]	6,921	81.0
106	104	**Montedison Group**	Italy	Dec	7,401	59	8,670	1,804	69.7
111	105	**NV DSM**	Netherlands	Dec	7,283	121	4,825	none[3]	26.6
130	134	**Rhône-Poulenc Group**	France	Dec	6,243	257	6,069	none[3]	78.0
157	156	**Akzo Group**	Netherlands	Dec	5,422	253	4,240	2,086	65.0
161	171	**Mitsubishi Chemical Industries**	Japan	Jan	5,304	32	5,945	3,137	17.3
219	274	**Sumitomo Chemical Co Ltd**	Japan	Dec	4,176	43	5,194	1,946	12.6
225	232	**Asahi Chemical Industry Co Ltd**	Japan	Mar	4,084	67	3,429	4,686	15.9[4]
254	237	**Solvay Group**	Belgium	Dec	3,796	115	3,662	950	44.5
270	268	**Roche/Sapac Group**	Switzerland	Dec	3,638	183	6,059	4,477	45.5
287	317	**Sandoz Group**	Switzerland	Dec	3,440	215	4,023	3,493	40.2
288	312	**Formosa Plastics Group**	Taiwan	Dec	3,439	202	3,612	none[3]	39.0

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		CHEMICALS & DRUGS							
334	301	**Henkel Group**	Germany	Dec	$3,133	$57	$2,414	none[3]	30.9
351	373	**Courtaulds Plc**	UK	Mar	2,993	143	2,069	$1,052	67.7
430	408	**Ube Industries Ltd**	Japan	Mar	2,372	20	3,291	866	8.3[4]
456	■	**Mitsui Toatsu Chemicals**	Japan	Mar	2,250[9]	NA	2,158[5]	702	5.4
465	443	**Takeda Chemical Industries Ltd**	Japan	Mar	2,226	91	2,682	4,012	13.4
		COMMODITIES							
85	85	**S&W Berisford Plc**	UK	Sept	9,050	-19	2,066	448	10.9
163	161	**Ferruzzi Group**	Italy	Dec	5,237	NA	NA	none[3]	18.0
260	219	**Canadian Wheat Board**	Canada	July	3,762	NA	3,847	none[3]	0.5
264	217	**Alfred C Toepfer Internationale Gruppe**	Germany	Nov	3,675	NA	NA	none[3]	0.6
449	353	**Cie Financière Sucres et Denrées**	France	Dec	2,280	5	905	none[3]	4.5
		COMMUNICATIONS							
12	18	**Nippon Telegraph & Telephone Corp**	Japan	Mar	25,029	636	60,837	none[3]	300.0
27	22	**Deutsche Bundespost**	Germany	Dec	17,227	NA	57,137	none[3]	488.1
41	32	**PTT-Postes et Télécommunications**	France	Dec	14,256	NA	NA	none[3]	499.0
56	68	**British Telecom**	UK	Mar	11,554	1,469	21,737	16,640	236.0
74	84	**Bell Canada Enterprises**	Canada	Dec	9,708	769	14,728	7,416	108.3
230	207	**British Post Office**	UK	Mar	4,036	175	4,594[7]	none[3]	182.4
258	267	**Telefonaktiebolaget LM Ericsson**	Sweden	Dec	3,776	85	4,874	1,091	74.7
298	297	**Schweizerische PTT**	Switzerland	Dec	3,383	146	9,519	none[3]	57.0
328	326	**Netherlands PTT**	Netherlands	Dec	3,186	527	14,897	none[3]	90.6
391	388	**STC Group Plc**	UK	Dec	2,589	–69	1,780	788	48.0
420	440	**Telefónica**	Spain	Dec	2,421	230	11,718	2,993	62.8
		CONSTRUCTION							
184	183	**Taisei Corp**	Japan	Mar	4,691	48	4,351	1,245	12.6
218	192	**Kajima Corp**	Japan	Nov	4,216	55	6,318	1,882	16.0
255	221	**Shimizu Construction Co Ltd**[4]	Japan	Mar	3,782	49	3,827	1,314	10.2
281	■	**Takenaka Komuten Co Ltd**	Japan	Dec	3,488	30	3,925	none[3]	8.5
332	342	**Ohbayashi Corp**	Japan	Mar	3,155	36	3,660	1,104	10.4
339	357	**Kumagai Gumi Co Ltd**	Japan	Sept	3,092	66	4,855	1,702	7.9[4]
385	398	**Bouygues Group**	France	Dec	2,637	49	3,596	615	25.6
398	354	**Philip Holzmann AG**	Germany	Dec	2,531	9	1,168	354	29.6
429	442	**Trafalgar House Plc**	UK	Sept	2,372	120	1,970	1,724	34.3
494	■	**Sekisui House Ltd**	Japan	Jan	2,085	40	3,096	1,709	8.4[4]
		CONSUMER ELECTRONICS							
15	16	**Matsushita Electric Industrial Co**	Japan	Nov	20,853	1,017	21,605	11,374	134.0
129	126	**Sanyo Electric Co Ltd**	Japan	Nov	6,265	149	6,236	2,254	25.4
143	146	**Sony Corp**	Japan	Oct	5,859	297	6,842	4,703	44.9

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		CONSUMER ELECTRONICS							
178	203	Sharp Corp	Japan	Mar	$4,777	$163	$4,396	$3,338	22.8[4]
196	208	Electrolux Group	Sweden	Dec	4,612	149	3,876	1,506	93.6
233	210	THORN EMI Plc	UK	Mar	4,026	41	2,712	1,239	90.3
		CONSUMER GOODS							
135	125	Grand Metropolitan Plc	UK	Sept	6,040	338	6,046	4,440	137.2
276	352	Beecham Group Plc	UK	Mar	3,565	240	3,598	3,930	42.3
295	280	Rothmans International Plc	UK	Mar	3,416	52	2,231	488	23.4
323	296	Imperial Group Plc	UK	Oct	3,200E	136	4,077	2,785	89.0
344	356	Fuji Photo Film Co Ltd	Japan	Oct	3,047	269	4,305	3,740	16.9
		COOPERATIVE							
93	■	Selex & Tania Handels AG	Germany	Dec	8,423	NA	NA	none[3]	97.0
96	82	REWE-Zentral Organisation	Germany	Dec	8,058	NA	NA	none[3]	0.6[4]
104	121	GEDELFI	Germany	Dec	7,472	15	NA	none[3]	0.2
140	153	Leclerc	France	Dec	5,898	NA	NA	none[3]	30.0
207	216	KF-Coop Group	Sweden	Dec	4,404	30[6]	2,329	none[3]	65.1
217	204	Migros-Genossenschafts-Bund	Switzerland	Dec	4,262	70	3,494	none[3]	56.2
222	236	STL-Finnish Wholesalers & Importers	Finland	Dec	4,142	NA	NA	none[3]	30.0
224	288	Intermarché	France	Dec	4,128	NA	NA	none[3]	25.6
246	243	Edeka-Zentrale	Germany	Dec	3,872	NA	NA	none[3]	30.0
282	260	Co op AG	Germany	Dec	3,467	9	1,112	none[3]	38.7
296	275	Coop Suisse	Switzerland	Dec	3,411	NA	NA	none[3]	31.3
307	285	Deutsche SPAR-Zentrale	Germany	Dec	3,321	NA	NA	none[3]	29.0
352	340	S Group	Finland	Dec	2,980	−1[4]	724[4]	none[3]	33.5
401	447	Eka Corporation	Finland	Dec	2,518	−5	2,840	none[3]	26.4
408	271	Metro-Deutschland Gruppe	Germany	Dec	2,500E	NA	NA	none[3]	13.5
466	■	Unico Pays de Loire	France	Dec	2,225	NA	NA	none[3]	17.9
		ELECTRICAL EQUIPMENT							
22	25	Philips Group	Netherlands	Dec	18,078	243	17,871	5,066	347.2
24	26	Siemens Group	Germany	Sept	17,841	490	19,515	14,335	348.0
87	80	Cie Générale d'Electricité	France	Dec	8,741	84	13,891	none[3]	153.6
120	114	Le Groupe Thomson	France	Dec	6,588	14	9,894	none[3]	107.0
149	176	BBC-Brown Boveri Group	Switzerland	Dec	5,647	44	9,522	920	97.8
188	195	ASEA Group	Sweden	Dec	4,672	160	5,840	1,593	61.0
263	238	AEG Group	Germany	Dec	3,683	5	3,354	1,735	73.8
373	406	Sumitomo Electric Industries Ltd	Japan	Mar	2,756	57	2,400	2,845	12.8[4]
377	360	BICC Plc Group	UK	Dec	2,733	36	1,523	667	46.4
409	415	Furukawa Electric Co Ltd	Japan	Mar	2,486	5	2,568	848	7.7[4]
413	419	Matsushita Electric Works	Japan	Nov	2,464	60	2,136	2,155	16.2

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SPECIAL REPORT ON INTERNATIONAL BUSINESS

The 500 largest foreign companies

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		ELECTRICAL EQUIPMENT							
473	■	Tokyo Sanyo Electric Co Ltd	Japan	Nov	$2,213	NA	$1,754[5]	$1,348	14.7[4]
498	■	Fuji Electric Co Ltd	Japan	Mar	2,079	$39	2,118	915	13.7[4]
		FINANCIAL							
363	404	Crédit Foncier de France	France	Dec	2,879	21	34,575	588	3.7
426	■	Compagnie Bancaire Group	France	Dec	2,380	77	15,860	1,187	6.9
428	■	Nomura Securities Co Ltd	Japan	Sept	2,374	446	10,036	9,124	9.0[4]
		FOOD DISTRIBUTION							
122	120	George Weston Ltd	Canada	Dec	6,503	73	1,872	837	57.0
145	■	Aldi GmbH & Co KG	Germany	Dec	5,800E	169E	NA	none[3]	20.0
284	284	Provigo Inc	Canada	Jan	3,458	25	607	487	12.0
286	465	Cas[illegible] Groupe	France	Dec	3,445	29	1,398	469	38.7
360	363	ICA Group	Sweden	Dec	2,910	37[6]	1,022	none[3]	12.8
453	490	Oshawa Group Ltd	Canada	Jan	2,260	29	398	384	17.8
470	439	D Carnegie & Co (was JS Saba)	Sweden	Dec	2,216	23[6]	1,052	299	18.2
		FOOD PROCESSING							
14	13	Unilever	Netherlands/UK	Dec	21,639	668	13,469	7,781[8]	312.0
28	47	Nestlé	Switzerland	Dec	17,184	712	12,130	10,452	154.8
180	205	Taiyo Fishery Co Ltd	Japan	Jan	4,715	0	2,414	400	16.0
197	149	Dalgety Plc	UK	June	4,602	42	1,119	690	19.0
215	254	Associated British Foods Plc	UK	Mar	4,310	154	2,230	1,495	78.8
301	289	Snow Brand Milk Products Co Ltd	Japan	Mar	3,364	17	1,300	566	8.7[4]
331	323	BSN-Groupe	France	Dec	3,160	88	2,785	1,335	33.4
345	347	Co-operative Wholesale Society Ltd	UK	Dec	3,039	25	978	none[3]	23.8
416	375	Cadbury Schweppes Plc	UK	Dec	2,429	54	1,752	1,183	33.8
418	386	Unigate Group	UK	Mar	2,427	39	1,020	757	33.2
437	450	United Biscuits (Holdings) Plc	UK	Dec	2,341	73	1,383	1,409	41.5
455	432	Canada Packers	Canada	Mar	2,255	27	445	320	13.2
472	459	Nippon Suisan Kaisha Ltd	Japan	Mar	2,213	12	994	416	5.9
477	463	Jacobs Suchard Group	Switzerland	Dec	2,190	61	1,291	1,381	9.3
493	493	Ajinomoto Co	Japan	Mar	2,091	61	1,735	2,930	10.6
		INDUSTRIAL EQUIPMENT							
43	42	Mitsubishi Heavy Industries Ltd	Japan	Mar	14,156	165	14,293	5,163	90.3
131	142	Mannesmann Group	Germany	Dec	6,171	77	4,716	2,760	107.8
179	124	Gutehoffnungshütte Group	Germany	June	4,740	148	3,971	856	54.9
248	189	Ishikawajima-Harima Heavy Industries Co	Japan	Mar	3,869	35	6,038	1,016	25.6[4]
304	338	Komatsu Ltd	Japan	Dec	3,338	91	5,005	2,137	23.2
443	462	SKF Group	Sweden	Dec	2,320	64	2,860	1,056	44.3

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INDUSTRIAL GASES									
434	341	BOC Group Plc	UK	Sept	$2,359	$127	$3,571	$1,803	36.9
471	437	L'Aire Liquide Group	France	Dec	2,215	125	2,745	2,642	25.0
INSURANCE									
30	38	Nippon Life Insurance Co	Japan	Mar	16,218	2,318	42,498	none[3]	14.0
59	■	Zenkyoren	Japan	Mar	11,351	NA	39,480	none[3]	7.0
63	■	Dai-ichi Mutual Life Insurance	Japan	Mar	11,004	1,537	27,906	none[3]	11.8
92	99	Sumitomo Life Insurance Co	Japan	Mar	6,438	1,223	23,129	none[3]	10.7
137	135	Allianz Worldwide	Germany	Dec	6,000E	111[4]	9,410[4]	10,141	25.2
151	159	Meiji Mutual Life Insurance Co	Japan	Mar	5,590	818	15,313	none[3]	8.1
186	181	Nationale-Nederlanden	Netherlands	Dec	4,688	181	24,162	3,490	21.5
187	172	Prudential Corp Plc	UK	Dec	4,682	98	28,894	3,412	27.0
191	213	Generali Group	Italy	Dec	4,650E	90[4]	4,241	5,738	18.0
192	206	Asahi Mutual Life Insurance	Japan	Mar	4,629	730	13,792	none[3]	35.5
193	214	Swiss Re Group [8]	Switzerland	Dec	4,625	51	11,715	1,781	13.7
194	300	UAP-Union des Assurances de Paris	France	Dec	4,623	199	12,819	404	17.2
195	199	Zurich Insurance Group	Switzerland	Dec	4,622	50[4]	5,610[4]	4,139	22.7
203	231	Royal Insurance Plc	UK	Dec	4,468	13	13,076	2,714	20.0
259	270	Mitsui Mutual Life Insurance Co	Japan	Mar	3,768	632	10,446	none[3]	29.3
277	374	Sun Life Assurance Co	Canada	Dec	3,532	105	11,420	none[3]	5.0
283	292	Yasuda Mutual Life Insurance Co	Japan	Mar	3,461	563	9,111	none[3]	21.8
290	256	Münchener Rückversicherungs	Germany	June	3,431	14	7,422	5,968	2.8
309	230	Commercial Union Assurance Co Plc	UK	Dec	3,297	–39	13,495	1,371	18.3
319	336	Winterthur Group	Switzerland	Dec	3,210	57	11,092	3,235	12.0
321	331	Sun Alliance & London Insurance Plc	UK	Dec	3,203	35	11,963	1,481	18.0
330	396	Manufacturers Life Insurance Co	Canada	Dec	3,173	165	11,753	none[3]	4.7
362	397	AGF-Assurances Générales de France	France	Dec	2,900E	148	8,546	1,582	11.9
367	371	Guardian Royal Exchange Plc	UK	Dec	2,819	–89	10,236	1,655	15.7
369	368	Tokio Marine & Fire Insurance Co Ltd	Japan	Mar	2,786	148	12,526	6,172	10.3
382	359	General Accident Fire & Life Assurance	UK	Dec	2,698	44	5,910	1,749	17.0
400	■	Nissan Fire & Marine Insurance	Japan	Mar	2,519	10	1,544	481	3.2
406	456	Great-West Life Assurance Co	Canada	Dec	2,501	88	7,728	644	4.3
410	410	AEGON Insurance Group	Netherlands	Dec	2,485	92	12,196	1,467	7.2
440	■	Legal & General Group	UK	Dec	2,329	48	14,871	1,626	6.9
451	483	AMEV NV	Netherlands	Dec	2,261	92	8,723	1,712	9.6
462	474	Crownx	Canada	Dec	2,236	48	5,084	433	26.5
463	497	Swiss Life Insurance & Pension Co	Switzerland	Dec	2,235	316	11,678	none[3]	3.7

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		INSURANCE							
476	479	Yasuda Fire & Marine Ins Co Ltd[9]	Japan	Mar	$2,192	$40	$5,118	$2,181	10.1
481	■	Standard Life Assurance Co	UK	Nov	2,158	1,073	14,572	none[3]	3.4
		MINING							
100	98	Ruhrkohle	Germany	Dec	7,647	38	6,887	none[3]	133.2
209	■	Charbonnages de France Group	France	Dec	4,384	–170	5,736	none[3]	70.0
397	109	National Coal Board	UK	Mar	2,535	–2,795	8,464	none[3]	225.9
404	414	Saarberg Group	Germany	Dec	2,506	–5	1,825	none[3]	30.5
444	262	Gencor-General Mining Union	South Africa	Dec	2,313	183	2,888	1,016	243.7
		MULTICOMPANY							
11	11	IRI Group	Italy	Dec	23,515	–583	47,622[7]	none[3]	483.7
13	14	Hitachi Ltd	Japan	Mar	22,663	679	28,753	10,917	164.1
35	65	Samsung Group	Korea	Dec	15,745	112	8,242	none[3]	129.0
37	53	Toshiba Corp	Japan	Mar	15,256	268	17,637	4,934	120.0
44	37	B.A.T Industries Plc	UK	Dec	13,929	829	12,769	6,674	198.0
46	66	Hyundai Group	Korea	Dec	13,890	78	8,515	none[3]	156.0
62	57	Canadian Pacific Ltd	Canada	Dec	11,014	180	15,345	3,994	123.4
66	58	INI Group	Spain	Dec	10,364	–956	20,196[5]	none[3]	191.2
73	77	Lucky-Gold Star Group	Korea	Dec	9,765	77	5,974	none[3]	70.0
86	72	ÖIAG-Österreichische Industrie Verwaltungs AG	Austria	Dec	9,016	NA	2,163	none[3]	102.2
90	87	Daewoo Group	Korea	Dec	8,615	53	9,008	none[3]	93.0
94	100	Mitsubishi Electric Corp	Japan	Mar	8,332	192	7,191	3,124	68.7
125	115	Sunkyong Group	Korea	Dec	6,375	54	2,487	none[3]	21.9
141	98	Barlow Rand Group	South Africa	Sept	5,878	–21	3,647	926	151.5
167	178	BTR Plc	UK	Dec	5,030	293	4,459	5,960	85.4
174	198	Norsk Hydro AS	Norway	Dec	4,876	241	6,022	1,664	26.4
210	158	Axel Johnson Group	Sweden	Dec	4,350	NA	NA	none[3]	28.5
221	212	VIAG Group	Germany	Dec	4,143	36	2,524	none[3]	22.0
226	170	Preussag Group	Germany	Dec	4,067	–1	2,360	832	21.3
240	235	SHV Holdings NV	Netherlands	Dec	3,964	46	1,640	none[3]	21.0
243	127	Klöckner & Co	Germany	Dec	3,902	13	1,389	none[3]	7.2[4]
256	■	Energoinvest	Yugoslavia	Dec	3,780	124	2,798	none[3]	51.5
269	282	Ssangyong Group	Korea	Dec	3,653	28	2,947	none[3]	13.3[4]
299	276	Kawasaki Heavy Industries Ltd	Japan	Mar	3,381	32	4,211	1,095	26.4
308	286	Hanson Trust Plc	UK	Sept	3,319	253	3,995	4,014	64.0
311	253	Feldmühle Nobel Group	Germany	Dec	3,281	79	3,262	none[3]	42.6
354	395	Koç Group	Turkey	Dec	2,958	51	1,067	none[3]	31.1
355	423	Genstar Corp	Canada	Dec	2,952	125	18,153	879	26.3
357	333	Haci Ömer Sabanci Holding Corp	Turkey	Dec	2,932	83	2,779	none[3]	27.9
378	378	Korea Explosives Group	Korea	Dec	2,723	2	2,163	none[3]	16.3
399	392	Hiram Walker Resources Ltd	Canada	Sept	2,530	208	4,192	1,734	10.7

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MULTICOMPANY									
403	418	**CSR Group**	Australia	Mar	$2,511	$-54	$2,656	$1,285	13.5
432	431	**Hyosung Group**	Korea	Dec	2,367	18	1,993	none[3]	23.5
448	429	**International Thomson Organisation**	Canada	Dec	2,285	143	1,950	1,898	19.0
489	141	**Peninsular & Oriental Steam Navigation**	UK	Dec	2,112	114	2,432	1,607	31.5
NONFERROUS METALS									
114	86	**Rio Tinto-Zinc Corp Plc**	UK	Dec	6,884	271	10,203	2,325	75.2
146	145	**Alcan Aluminium Ltd**	Canada	Dec	5.718	–216	6,861	2,893	70.0
239	223	**Pechiney**	France	Dec	3,997	81	5,162	none[3]	48.1
251	225	**Degussa AG**	Germany	Sept	3,826	36	1,596	985	23.9
266	244	**Metallgesellschaft**	Germany	Sept	3,661	18	1,922	739	24.8
313	266	**Alusuisse**	Switzerland	Dec	3,257	–281	3,904	433	33.6
402	393	**Noranda**	Canada	Dec	2,518	–185	4,465	1,386	25.4
441	■	**Mitsubishi Metal Corp**	Japan	Mar	2,325	25	2,185	1,491	5.5[9]
OFFICE EQUIPMENT									
80	95	**NEC Corp**	Japan	Mar	9,248	274	10,737	9,118	90.1
124	157	**Fujitsu Ltd**	Japan	Mar	6,397	364	6,814	7,733	74.2
236	272	**Canon Inc**	Japan	Dec	4,006	155	4,992	3,177	34.1
317	394	**Olivetti Group**	Italy	Dec	3,215	263	4,244	1,982	48.9
464	■	**Ricoh Co Ltd**	Japan	Mar	2,234	68	2,029	2,221	25.0
OIL & GAS									
1	1	**Royal Dutch/Shell Group**	Netherlands/UK	Dec	81,791	3,930	74,894	27,454[8]	142.0
7	6	**British Petroleum Co Plc**	UK	Dec	53,131	867	43,574	14,738	129.5
10	9	**ENI-Ente Nazionale Idrocarburi**	Italy	Dec	24,461	427	27,218	none[3]	130.0
16	12	**Pemex-Petroleos Mexicanos**	Mexico	Dec	20,414	4,373	36,836	none[3]	149.2
18	15	**Elf Aquitaine Group**	France	Dec	20,105	584	22,224	2,667	73.8
19	21	**TOTAL Group-Française des Pétroles**	France	Dec	19,267	163	12,231	1,178	44.6
26	29	**Kanematsu-Gosho Ltd**	Japan	Mar	17,649	4	5,010	325	3.0
32	24	**VEBA Group**	Germany	Dec	16,142	260	13,137	4,763	68.7
34	23	**Petrobras-Petróleo Brasileiro SA**	Brazil	Dec	16,012	1,786	12,858	713	61.4
38	28	**National Iranian Oil Co**	Iran	Dec	15,000E	NA	NA	none[3]	NA
47	36	**Kuwait Petroleum Corp**	Kuwait	June	13,640	693	18,883	none[3]	15.0[4]
49	39	**Nippon Oil Co Ltd**	Japan	Mar	13,480	51	6,300	4,075	10.0
54	43	**Petróleos de Venezuela SA**	Venezuela	Dec	11,858	1,482	18,132	none[3]	43.1
55	62	**Idemitsu Kosan Co Ltd**[4]	Japan	Mar	11,658	3	8,473	none[3]	5.9
67	76	**Nederlandse Gasunie Group**	Netherlands	Dec	10,315	24	2,889	none[3]	1.8
71	78	**Petrofina SA**	Belgium	Dec	9,834	287	7,154	2,336	22.7
77	69	**Indian Oil Corp Ltd**	India	Mar	9,332	70	2,416	none[3]	31.0
79	83	**INH-Instituto Nacional de Hidrocarburos**	Spain	Dec	9,279	NA	NA	none[3]	20.0

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OIL & GAS									
117	103	**Maruzen Oil Co Ltd**	Japan	Mar	$6,751	$102	$2,660	$573	1.6[4]
138	194	**Statoil Group**	Norway	Dec	5,980	254	6,080	none[3]	7.1
139	148	**Ruhrgas**	Germany	Dec	5,912	155	2,547	none[3]	3.0[4]
148	150	**Neste Group**	Finland	Dec	5,687	82	3,919	none[3]	8.8
154	137	**Chinese Petroleum Corporation**	Taiwan	Dec	5,555	437	4,396	none[3]	19.9[4]
164	140	**Nippon Mining Co Ltd**	Japan	Mar	5,210	16	3,763	1,423	6.0
171	147	**Mitsubishi Oil Co Ltd**	Japan	Mar	4,916	–36	3,153	541	2.6[4]
176	151	**Toa Nenryo Kogyo KK**	Japan	Dec	4,831	115	3,626	2,907	4.2
181	186	**Yacimientos Petrolíferos-YPF**	Argentina	Dec	4,703	–697[7]	9,240[7]	2,520	32.5
201	215	**Türkiye Petrolleri AO**	Turkey	Dec	4,550	456	3,274	none[3]	16.4
208	165	**Daikyo Oil Co Ltd**	Japan	Mar	4,400E	2	1,253	203	1.9[4]
245	248	**Petro-Canada**	Canada	Dec	3,881	–506	6,329	none[3]	10.6
292	302	**TransCanada PipeLines Ltd**	Canada	Dec	3,428	119	4,523	1,530	1.9
326	294	**CEPSA-Cia Española de Petroleos**	Spain	Dec	3,193	46	1,308	201	3.9[4]
333	365	**CEA-Groupe**	France	Dec	3,149	105	9,959	none[3]	23.4
340	197	**Ultramar Group**	UK	Dec	3,056	92	2,712	792	3.7
353	311	**General Sekiyu Group**	Japan	Mar	2,973	1	1,814	404	1.8
414	344	**Nova, an Alberta Corporation**	Canada	Dec	2,451	–60	4,545	666	7.8
419	316	**Arabian Oil**	Japan	Dec	2,425	11	780	922	2.2
424	307	**Canada Development Corp**	Canada	Dec	2,385	125	5,194	244	17.8
439	485	**Britoil Plc**	UK	Dec	2,332	243	3,088	1,509	2.7
457	■	**Gulf Canada Corp**	Canada	Dec	2,242	248	4,651	3,398	17.7
479	330	**MABANAFT Group**	Germany	Dec	2,181	3	420	none[3]	0.7
OILFIELD SERVICE									
133	129	**Schlumberger Ltd**	Neth Antilles	Dec	6,119	351	11,282	10,868	72.8
314	306	**McDermott International**	Panama	Mar	3,257	56	4,350	674	35.0
PAPER & PACKAGING									
450	455	**Toyo Seikan Kaisha Ltd**	Japan	Mar	2,277	80	1,566	1,300	14.4
478	467	**Oji Paper Co Ltd**	Japan	Mar	2,190	74	2,024	1,270	5.5[4]
PUBLISHING									
349	349	**Dai Nippon Printing Co Ltd**	Japan	May	2,997	103	2,209	4,449	13.7
379	385	**Toppan Printing Co Ltd**	Japan	May	2,718	77	1,852	2,536	13.3
384	380	**Reed International Plc**	UK	Mar	2,660	109	1,877	1,183	34.7
421	409	**Bertelsmann Aktiengesellschaft**	Germany	June	2,416	106	1,395	none[3]	31.8
RETAILING									
108	164	**Coles Myer Ltd**	Australia	July	7,332P	NA	2,498P	1,326	126.0P
118	128	**Daiei Inc**	Japan	Feb	6,738	4	4,611	1,055	14.5[4]
162	193	**Ito-Yokado Co Ltd**	Japan	Feb	5,275	139	3,201	4,814	35.4

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		RETAILING							
166	226	Marks & Spencer Plc	UK	Mar	$5,145	$306	$3,219	$6,725	43.2
214	201	Vendex International Group	Netherlands	Jan	4,315	74	1,416[7]	none[3]	52.4
234	257	Nichii Co Ltd	Japan	Feb	4,024	35	2,943	1,080	31.7
247	277	Jusco Co Ltd	Japan	Feb	3,870	41	2,564	1,128	18.0
249	251	Hudson's Bay Co	Canada	Jan	3,841	–4	3,071	508	39.0
250	258	Seiyu Ltd	Japan	Feb	3,829	16	1,804	586	17.4
267	246	Karstadt Group	Germany	Dec	3,658	12	1,729	965	66.9
279	322	Takashimaya Co Ltd	Japan	Feb	3,511	53	1,419[5]	528	7.8[4]
306	309	Woolworths Ltd	Australia	Jan	3,335	7	981	499	60.0
335	364	Imasco	Canada	Mar	3,128	189	2,137	2,172	20.7
337	428	Mitsukoshi	Japan	Feb	3,100[9]	NA	1,019[5]	1,377	11.6[4]
341	350	Daimaru	Japan	Feb	3,054	15	1,189	378	7.9[4]
347	381	Sears Plc	UK	Jan	3,009	154	2,092	2,354	64.1
358	399	Boots Co Plc	UK	Mar	2,928	187	1,904	2,752	67.6
361	305	Otto Versand-Group	Germany	Feb	2,900E	46[4]	537[4]	none[3]	22.9
376	335	Great Universal Stores Plc	UK	Mar	2,733	200	2,548	2,944	44.3
392	383	Kaufhof	Germany	Dec	2,585	18	1,346	938	42.8
411	242	South African Breweries Ltd	South Africa	Mar	2,484	103	1,725	828	73.5
442	460	Woolworth Holdings Plc	UK	Jan	2,320	47	1,730	1,359	53.0
484	491	Littlewoods Organisation Plc	UK	Dec	2,154	44	973[5]	none[3]	34.0
		STEEL							
52	52	Nippon Steel Corp	Japan	Mar	12,537	207	15,318	5,130	65.9[4]
58	53	Thyssen Group	Germany	Sept	11,362	146	7,143	2,173	128.0
127	131	Nippon Kokan KK	Japan	Mar	6,287	77	10,247	2,065	36.9
128	118	Krupp Group	Germany	Dec	6,176	28	4,343	none[3]	67.4
150	167	Broken Hill Proprietary Co Ltd	Australia	May	5,686	528	7,970	6,187	57.6
158	200	Sacilor	France	Dec	5,406	–594	10,509	none[3]	69.5
159	143	Kobe Steel Ltd	Japan	Mar	5,316	42	7,700	1,870	28.7[4]
160	163	Sumitomo Metal Industries Ltd	Japan	May	5,315	103	8,985	1,865	27.3[4]
168	182	Kawasaki Steel Corp [4]	Japan	Mar	5,001	83	7,719	1,992	27.9
183	160	British Steel Corp	UK	Mar	4,694	–513	4,605	none[3]	73.7
228	190	Usinor Group	France	Dec	4,047	–381	5,836	420	44.2
305	327	Siderbrás Group	Brazil	Dec	3,337	–2,504	16,679	none[3]	69.6
316	325	Cockerill Sambre	Belgium	Dec	3,245	–100	3,341	none[3]	17.0
342	279	Salzgitter	Germany	Sept	3,053	16	2,911	none[3]	42.1
356	358	Steel Authority of India Ltd	India	Mar	2,934	3	6,649	none[3]	206.4
396	401	Hoesch Group	Germany	Dec	2,540	134	2,690	479	33.1
412	416	Klöckner-Werke AG	Germany	Sept	2,474	11[4]	1,899[4]	346	33.1
435	437	Pohang Iron & Steel Co Ltd	Korea	Dec	2,353	70	3,737	none[3]	17.0
452	438	Hoogovens Group	Netherlands	Dec	2,261	83	2,597	491	28.1

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		SUPERMARKETS							
70	75	Tengelmann Group	Germany	June	$10,000E	NA	NA	none[3]	97.9E
172	187	Carrefour	France	Dec	4,915	$57	$2,181	$1,217	32.3
182	249	J Sainsbury Plc	UK	Mar	4,703	175	2,066	3,761	41.4
202	241	Tesco Plc	UK	Feb	4,525	103	1,649	1,711	43.4
280	293	Ahold	Netherlands	Dec	3,491	36	1,024	528	49.3
303	328	Promodès Group	France	Dec	3,347	8	1,221	181	27.2
327	345	Delhaize "Le Lion" Group	Belgium	Dec	3,186	14	771	349	29.5
346	487	Dee Corporation Plc	UK	Apr	3,021	53	963	1,756	43.2
359	367	Steinberg Inc	Canada	July	2,914	54	846	425	32.0
368	391	ASDA-MFI Group Plc	UK	Apr	2,815	115	1,001	2,344	39.4
386	278	Générale Occidentale	France	Mar	2,631	34	1,063	394	21.5
405	473	Argyll Group Plc	UK	Mar	2,505	14	910	1,000	37.0
		TEXTILES							
315	313	Toray Industries	Japan	Mar	3,247	55	3,301	3,134	29.7
422	413	Teijin Ltd	Japan	Mar	2,412	67	2,166	2,022	7.2[4]
475	■	Coats Viyella Plc	UK	Dec	2,203P	126P	1,963P	NA	75.0P
480	451	Kanebo Ltd	Japan	Apr	2,167	21	2,014	820	26.5
500	464	Toyobo Co Ltd	Japan	Apr	2,074	26	1,565	851	11.0[4]
		TRADING							
2	2	Mitsui & Co Ltd	Japan	Mar	72,065	41	23,774	2,123	11.6
3	3	Mitsubishi Corp	Japan	Mar	70,520	131	24,909	4,401	13.9
4	4	C Itoh & Co Ltd	Japan	Mar	59,564	53	20,024	1,980	10.0
5	5	Marubeni Corp	Japan	Mar	56,128	107	21,109	1,574	10.3
6	7	Sumitomo Corp	Japan	Mar	54,504	140	12,611	2,569	12.0
8	8	Nissho Iwai Corp	Japan	Mar	37,687	44	12,154	830	7.4
17	19	Toyo Menka Kaisha Ltd	Japan	Mar	20,200	7	6,354	521	5.0
21	30	Nichimen Corp	Japan	Mar	18,172	12	6,871	366	4.4
123	113	Kawasho Corp[4]	Japan	Sept	6,427	3	3,018	157	1.8
147	166	Toyoda Tsusho Kaisha Ltd	Japan	Mar	5,702	22	1,538	424	1.6
169	173	Elders IXL Ltd	Australia	June	4,965	86	1,428	697	22.5
216	180	Franz Haniel & Cie GmbH	Germany	Dec	4,265	20	1,249	none[3]	17.2
318	290	Lonrho Group	UK	Sept	3,210	122	2,821	782	118.0
325	332	Kesko Oy[4]	Finland	Dec	3,195	14	1,381	151	6.2
336	281	Toshoku Ltd	Japan	Oct	3,108	0	1,542	122	0.5[4]
365	324	Fletcher Challenge Ltd	New Zealand	June	2,877	91	3,147	740	23.4
370	366	Hanwa Co Ltd[4]	Japan	Mar	2,774	14	1,498	622	1.1
380	382	Chori Co Ltd	Japan	Mar	2,714	6	1,077	134	1.5[4]
395	407	Shinsho Corp[4]	Japan	Mar	2,544	0	949	109	1.2
431	361	Inchcape Plc	UK	Dec	2,370	5	1,668	371	46.8
438	384	Itoman & Co Ltd	Japan	Sept	2,336	NA	1,750[5]	381	1.5[4]
474	461	Nagase & Co Ltd	Japan	Mar	2,210	24	973	401	1.6[4]

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TRANSPORTATION									
29	■	**Japanese National Railways**	Japan	Mar	$16,871	$-8	$75,462[5]	none[3]	326.0
75	73	**Deutsche Bundesbahn**	Germany	Dec	9,361	−995	20,136[5]	none[3]	294.7
110	107	**SNCF**	France	Dec	7,289	−499	16,914	none[3]	242.7
185	138	**South African Transport Services**	South Africa	Mar	4,690	15	9,062	none[3]	233.3
212	255	**British Airways Plc**	UK	Mar	4,338	249	2,437[5]	none[3]	40.3
220	218	**Nippon Express Co Ltd**	Japan	Mar	4,174	36	2,511	$2,976	57.6
257	269	**Japan Air Lines Co Ltd**	Japan	Mar	3,778	44	3,297	6,389	25.2
265	239	**Canadian National Railway System**	Canada	Dec	3,674	44	5,823	none[3]	61.1
273	261	**Deutsche Lufthansa AG**	Germany	Dec	3,618	22	2,430	1,468	39.4
275	245	**British Railways Board**	UK	Mar	3,600E	NA	2,454	none[3]	185.7
294	295	**Nippon Yusen Kaisha Line**	Japan	Mar	3,422	30	3,314	1,518	4.1[4]
300	318	**Air France**	France	Dec	3,370	81	2,384	none[3]	35.6
433	452	**Danzas Group**	Switzerland	Dec	2,360	3[4]	338[4]	none[3]	10.2
454	445	**Kinki Nippon Railway Co Ltd**	Japan	Mar	2,259	56	3,096	2,904	12.9[4]
458	453	**Mitsui OSK Lines Ltd**	Japan	Mar	2,242	24	2,460	973	4.4
459	448	**SAS Group**	Sweden	Sept	2,242	NA	1,635	none[3]	29.7
UTILITY									
33	31	**Tokyo Electric Power Co**[4]	Japan	Mar	16,032	462	36,037	18,673	39.2
39	46	**Electricité de France**	France	Dec	14,568	110	51,051	none[3]	125.0
53	41	**The Electricity Council**	UK	Mar	12,491	−744	49,932[7]	none[3]	135.7
57	54	**ENEL**	Italy	Dec	11,373	0	36,358	none[3]	115.2
82	70	**RWE Group**	Germany	June	9,233	145	10,617	2,352	70.2
88	74	**British Gas Corp**	UK	Mar	8,686	1,009	32,904[7]	none[3]	95.6
91	79	**Kansai Electric Power Co**[4]	Japan	Mar	8,602	289	18,202	9,739	24.6
109	102	**Chubu Electric Power**[4]	Japan	Mar	7,291	284	11,850	6,606	19.7
136	144	**Gaz de France**	France	Dec	6,009	53	7,882	none[3]	29.0
170	179	**Générale des Eaux Groupe**	France	Dec	4,922	67	4,652	1,360	69.1
200	188	**Tohoku Electric Power Co**[4]	Japan	Mar	4,556	135	9,298	3,710	13.2
205	191	**Kyushu Electric Power**[4]	Japan	Mar	4,429	139	9,681	3,354	14.9
242	233	**Korea Electric Power Corp**	Korea	Dec	3,937	291	13,760	none[3]	22.8
268	259	**Chugoku Electric Power Co**[4]	Japan	Mar	3,655	148	6,800	2,676	11.5
297	304	**Ontario Hydro**	Canada	Dec	3,387	263	20,980	none[3]	31.2
310	308	**Hydro-Québec**	Canada	Dec	3,289	153	20,882	none[3]	18.2
322	310	**Tokyo Gas Co Ltd**	Japan	Mar	3,201	132	2,917	4,132	12.8[4]
324	319	**Taiwan Power Co**	Taiwan	June	3,198	633	12,891	none[3]	21.7
389	387	**Osaka Gas Co Ltd**	Japan	Mar	2,605	121	2,801	2,775	10.4[4]
427	436	**INTERCOM**	Belgium	Dec	2,377	159	5,413	1,438	9.0
482	476	**VEW-Vereinigte Elektrizitätswerke**	Germany	Dec	2,157	39	6,087	1,149	7.5
490	379	**Electricity Supply Commission**	South Africa	Dec	2,110	18	12,219	none[3]	66.0

■Not ranked last year. [1]Revenue figures are for group or consolidated operations and exclude taxes and duties. [2]As of Dec. 31, 1985. [3]Not publicly traded. [4]Not fully consolidated. [5]Figures are latest available. [6]Profit before appropriations adjusted to a 50% tax rate to more closely conform to U.S. accounting. [7]Based on current cost accounting. [8]Combined market value. [9]Estimates taken from Japan Company Handbook. NA: Not available. E: FORBES estimate. P: Pro forma for merger since last fiscal year-end.

General note: Revenue and net income are converted at an average rate of exchange for the fiscal year; assets are converted at fiscal year-end rate. For companies with January, February and March fiscal year-ends, 1985 figures are used when more current data are not available.

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Company	Rank	Industry	Page
AEG Group	263	electrical equipment	182
AEGON Insurance Group	410	insurance	186
Aérospatiale Group	252	aerospace & defense	177
AGF-Assurances Générales de France	362	insurance	186
Ahold	280	supermarkets	192
Air France	300	transportation	193
Ajinomoto Co	493	food processing	183
Akzo Group	157	chemicals & drugs	180
Alcan Aluminium Ltd	146	nonferrous metals	189
Aldi GmbH & Co KG	145	food distribution	183
Allianz Worldwide	157	insurance	186
Allied-Lyons Plc	261	beverages	180
Alusuisse	313	nonferrous metals	189
AMEV NV	451	insurance	186
Arabian Oil	419	oil & gas	190
Argyll Group Plc	405	supermarkets	192
Asahi Chemical Industry Co Ltd	225	chemicals & drugs	180
Asahi Glass Co Ltd	291	automotive	177
Asahi Mutual Life Insurance	192	insurance	186
ASDA-MFI Group Plc	368	supermarkets	192
ASEA Group	108	electrical equipment	182
Associated British Foods Plc	215	food processing	183
Australia & New Zealand Banking	213	banking	179
B.A.T Industries Plc	44	multicompany	188
Bamerindus Group	372	banking	179
Banca Nazionale del Lavoro	173	banking	178
Banco Central Group	425	banking	180
Banco de la Nacion Argentina	415	banking	179
Banco di Napoli	381	banking	179
Banco di Sicilia	468	banking	180
Banco do Brasil	71	banking	178
Banco Hispano Americano	485	banking	180
Banco Itaú Group	184	banking	178
Banco Nacional de México-Banamex	189	banking	178
Bancomer	175	banking	178
BANESPA Group	142	banking	178
Bank Hapoalim BM	51	banking	178
Bank Leumi le-Israel BM	98	banking	178
Bank of China	190	banking	179
Bank of Montreal	126	banking	178
Bank of Nova Scotia	199	banking	179
Bank of Tokyo Ltd	119	banking	178
Bank of Yokohama Ltd	495	banking	180
Banque Bruxelles Lambert	486	banking	180
Banque Nationale de Paris Group	66	banking	178
Barclays Group	64	banking	178
Barlow Rand Group	141	multicompany	188
BASF Group	31	chemicals & drugs	180
Bass Plc	467	beverages	180
Bayer Group	36	chemicals & drugs	180

Company	Rank	Industry	Page
Bayerische Hypobank	343	banking	179
Bayerische Landesbank Girozentrale	388	banking	179
Bayerische Vereinsbank Group	274	banking	179
BBC-Brown Boveri Group	149	electrical equipment	182
Beecham Group Plc	276	consumer goods	182
Bell Canada Enterprises	74	communications	181
S&W Berisford Plc	85	commodities	181
Bertelsmann Aktiengesellschaft	421	publishing	190
BICC Plc Group	377	electrical equipment	182
BL Plc	206	automotive	177
BMW-Bayerische Motoren Werke	130	automotive	177
BOC Group Plc	494	industrial gases	186
Boots Co Plc	358	retailing	191
Robert Bosch Group	113	automotive	177
Bouygues Group	365	construction	181
BRADESCO Group	89	banking	178
Bridgestone Corp	272	automotive	177
British Aerospace Plc	289	aerospace & defense	177
British Airways Plc	212	transportation	193
British Gas Corp	88	utility	193
British Petroleum Co Plc	7	oil & gas	190
British Post Office	230	communications	181
British Railways Board	275	transportation	193
British Steel Corp	183	steel	191
British Telecom	56	communications	181
Britoil Plc	439	oil & gas	190
Broken Hill Proprietary Co Ltd	150	steel	191
BSN-Groupe	331	food processing	183
BTR Plc	167	multicompany	188
Cadbury Schweppes Plc	416	food processing	183
Canada Development Corp	414	oil & gas	190
Canada Packers	465	food processing	183
Canadian Imperial Bank of Commerce	144	banking	178
Canadian National Railway System	265	transportation	193
Canadian Pacific Ltd	49	multicompany	188
Canadian Wheat Board	260	commodities	181
Canon Inc	236	office equipment	189
CARIPLO Group	231	banking	179
D Carnegie & Co AB	470	food distribution	183
Carrefour	172	supermarkets	192
Casino Group	[illegible]	food distribution	183
CFP-Groupe	283	oil & gas	190
CEPSA-Cia Española de Petroleos	326	oil & gas	190
Charbonnages de France Group	209	mining	189
Chinese Petroleum Corporation	154	oil & gas	190
Chori Co Ltd	380	trading	192
Chubu Electric Power	109	utility	193
Chugoku Electric Power Co	268	utility	193
CIBA-GEIGY Group	105	chemicals & drugs	180
CIC-Crédit Industriel et Commercial	312	banking	179

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Company	Rank	Industry	Page
Co op AG	[illegible]	cooperative	[illegible]
Cooperative Wholesale Society Ltd	345	food processing	183
Coats Viyella Plc	475	textiles	192
Cockerill Sambre	416	steel	191
Coles Myer Ltd	100	retailing	190
Commercial Union Assurance Co Plc	309	insurance	186
Commerzbank	253	banking	179
Commonwealth Banking Corp	338	banking	179
Compagnie Bancaire Group	426	financial	183
Coop Suisse	296	cooperative	182
Courtaulds Plc	[illegible]	chemicals & drugs	[illegible]
Crédit Agricole	95	banking	178
Crédit Communal de Belgique	492	banking	180
Crédit Foncier de France	364	financial	183
Crédit Lyonnais Group	65	banking	178
Crédit Suisse	394	banking	179
Crownx	462	insurance	186
CSR Group	403	multicompany	189
Daewoo Group	90	multicompany	188
Dai-Ichi Kangyo Bank Ltd	76	banking	178
Dai-Ichi Mutual Life Insurance	[illegible]	insurance	[illegible]
Dai Nippon Printing Co Ltd	349	publishing	190
Daiei Inc	118	retailing	190
Daihatsu Motor Co Ltd	446	automotive	178
Daikyo Oil Co Ltd	[illegible]	oil & gas	190
Daimaru	341	retailing	191
Daimler-Benz Group	25	automotive	177
Daiwa Bank Ltd	363	banking	179
Dalgety Plc	197	food processing	183
Danzas Group	433	transportation	193
Dee Corporation Plc	[illegible]	supermarkets	[illegible]
Degussa AG	251	nonferrous metals	189
Delhaize "Le Lion" Group	327	supermarkets	192
Deutsche Bank Group	121	banking	178
Deutsche Bundesbahn	75	transportation	[illegible]
Deutsche Bundespost	27	communications	181
Deutsche Lufthansa AG	273	transportation	193
Deutsche SPAR-Zentrale	307	cooperative	182
DG Bank Group	447	banking	180
Dresdner Bank	165	banking	178
[illegible]	[illegible]	chemicals & drugs	[illegible]
Edeka-Zentrale	346	cooperative	182
Eka Corporation	401	cooperative	182
Elders IXL Ltd	167	trading	192
Electricité de France	[illegible]	utility	193
The Electricity Council	53	utility	193
Electricity Supply Commission	490	utility	193
Electrolux Group	196	consumer electronics	182
Elf Aquitaine Group	18	oil & gas	189
ENEL	57	utility	193
[illegible]	[illegible]	multicompany	[illegible]
ENI-Ente Nazionale Idrocarburi	10	oil & gas	189
Telefonaktiebolaget LM Ericsson	[illegible]	communications	181
Export-Import Bank of Japan	[illegible]	banking	180
Feldmühle Nobel Group	311	multicompany	188
Ferruzzi Group	163	commodities	181
Fiat Group	42	automotive	177
Fletcher Challenge Ltd	365	trading	192
Formosa Plastics Group	288	chemicals & drugs	180
Fuji Bank Ltd	81	banking	178
Fuji Electric Co Ltd	[illegible]	electrical equipment	[illegible]
Fuji Heavy Industries Ltd	374	automotive	178
Fuji Photo Film Co Ltd	344	consumer goods	182
Fujitsu Ltd	124	office equipment	189
Furukawa Electric Co Ltd	[illegible]	electrical equipment	[illegible]
Gaz de France	136	utility	193
GEDELFI	104	cooperative	182
Gencor-General Mining Union	444	mining	188
General Accident Fire & Life Assurance	362	insurance	186
General Electric Co Plc	113	aerospace & defense	177
[illegible]	[illegible]	oil & gas	[illegible]
Générale Bank Group	232	banking	179
Cie Générale d'Electricité	87	electrical equipment	[illegible]
Générale des Eaux Groupe	170	utility	193
Générale Occidentale	[illegible]	[illegible]	[illegible]
Generali Group	191	insurance	186
Genstar Corp	355	multicompany	188
George Weston Ltd	122	food distribution	183
GKN Plc	366	automotive	177
Grand Metropolitan Plc	135	consumer goods	182
Great Universal Stores Plc	[illegible]	retailing	[illegible]
Great-West Life Assurance Co	406	insurance	186
Guardian Royal Exchange Plc	[illegible]	insurance	186
Gulf Canada Corp	457	oil & gas	190
Gutehoffnungshütte Group	179	industrial equipment	[illegible]
Haci Ömer Sabanci Holding Corp	357	multicompany	188
Franz Haniel & Cie GmbH	216	trading	192
Hanson Trust Plc	308	multicompany	188
Hanwa Co Ltd	370	trading	192
Henkel Group	334	chemicals & drugs	181
[illegible]	[illegible]	multicompany	[illegible]
Hitachi Ltd	[illegible]	multicompany	[illegible]
Hoechst Group	48	chemicals & drugs	180
Hoesch Group	[illegible]	steel	191
Hokkaido Takushoku Bank Ltd	[illegible]	banking	[illegible]
Philip Holzmann AG	398	construction	181
Honda Motor Co Ltd	50	automotive	177
Hoogovens Groep	452	steel	191
Hudson's Bay Co	249	retailing	191
Hydro-Québec	310	utility	193

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Company	Rank	Industry	Page
Hyosung Group	432	multicompany	189
Hyundai Group	46	multicompany	188
ICA Group	360	food distribution	183
IDB Bankholding Corp Ltd	235	banking	179
Idemitsu Kosan Co Ltd	55	oil & gas	189
Imasco	335	retailing	191
Imperial Chemical Industries Plc	45	chemicals & drugs	180
Imperial Group Plc	323	consumer goods	182
Inchcape Plc	431	trading	192
Indian Oil Corp Ltd	77	oil & gas	189
Industrial Bank of Japan Ltd	115	banking	178
INH-Instituto Nacl de Hidrocarburos	79	oil & gas	189
INI Group	66	multicompany	188
INTERCOM	427	utility	193
Intermarché	224	cooperative	182
International Thomson Organisation	448	multicompany	189
IRI Group	11	multicompany	188
Ishikawajima-Harima Heavy Industries	248	industrial equipment	183
Isuzu Motors Ltd	223	automotive	177
Ito-Yokado Co Ltd	162	retailing	190
C Itoh & Co Ltd	4	trading	192
Itoman & Co Ltd	438	trading	192
Jacobs Suchard Group	477	food processing	183
Japan Air Lines Co Ltd	257	transportation	193
Japan Development Bank	486	banking	180
Japanese National Railways	29	transportation	193
Axel Johnson Group	210	multicompany	188
Jusco Co Ltd	247	retailing	191
Kajima Corp	218	construction	181
Kanebo Ltd	480	textiles	192
Kanematsu-Gosho Ltd	26	oil & gas	189
Kansai Electric Power Co	91	utility	193
Karstadt Group	267	retailing	191
Kaufhof	392	retailing	191
Kawasaki Heavy Industries Ltd	299	multicompany	188
Kawasaki Steel Corp	168	steel	191
Kawasho Corp	123	trading	192
Kesko Oy	325	trading	192
KF-Coop Group	207	cooperative	182
Kinki Nippon Railway Co Ltd	454	transportation	193
Kirin Brewery Co Ltd	445	beverages	180
Klöckner & Co	248	multicompany	188
Klöckner-Werke AG	412	steel	191
Kobe Steel Ltd	159	steel	191
Koç Group	354	multicompany	188
Komatsu Ltd	304	industrial equipment	183
Korea Electric Power Corp	242	utility	193
Korea Explosives Group	378	multicompany	188
Kredietbank NV	417	banking	179
Krupp Group	128	steel	191

Company	Rank	Industry	Page
Kubota Ltd	387	automotive	178
Kumagai Gumi Co Ltd	389	construction	181
Kuwait Petroleum Corp	47	oil & gas	189
Kyowa Bank	383	banking	179
Kyushu Electric Power	205	utility	193
L'Aire Liquide Group	471	industrial gases	186
Leclerc	140	cooperative	182
Legal & General Group	440	insurance	186
Littlewoods Organisation Plc	484	retailing	191
Lloyds Bank Group	101	banking	178
Long-Term Credit Bank of Japan Ltd	152	banking	178
Lonrho Group	318	trading	192
Lucky-Gold Star Group	73	multicompany	188
MABANAFT Group	479	oil & gas	190
Mannesmann Group	131	industrial equipment	183
Manufacturers Life Insurance Co	330	insurance	186
Marks & Spencer Plc	166	retailing	191
Marubeni Corp	5	trading	192
Maruzen Oil Co Ltd	117	oil & gas	190
Matsushita Electric Industrial Co	15	consumer electronics	181
Matsushita Electric Works	413	electrical equipment	182
Mazda Motor Corp	116	automotive	177
McDermott International	214	oilfield service	190
Meiji Mutual Life Insurance Co	151	insurance	186
Metallgesellschaft	266	nonferrous metals	189
Metro-Deutschland Gruppe	408	cooperative	182
Michelin Group	177	automotive	177
Midland Bank Group	78	banking	178
Migros-Genossenschafts-Bund	217	cooperative	182
Mitsubishi Bank Ltd	97	banking	178
Mitsubishi Chemical Industries	161	chemicals & drugs	180
Mitsubishi Corp	9	trading	192
Mitsubishi Electric Corp	94	multicompany	188
Mitsubishi Heavy Industries Ltd	43	industrial equipment	183
Mitsubishi Metal Corp	441	nonferrous metals	189
Mitsubishi Oil Co Ltd	171	oil & gas	190
Mitsubishi Trust & Banking Corp	320	banking	179
Mitsui & Co Ltd	2	trading	192
Mitsui Bank Ltd	156	banking	178
Mitsui Mutual Life Insurance Co	259	insurance	186
Mitsui OSK Lines Ltd	458	transportation	193
Mitsui Toatsu Chemicals	456	chemicals & drugs	181
Mitsui Trust & Banking Co Ltd	348	banking	179
Mitsukoshi	337	retailing	191
Monte dei Paschi di Siena Banking	244	banking	179
Montedison Group	106	chemicals & drugs	180
Münchener Rückversicherungs	290	insurance	186
Nacional Financiera SA	329	banking	179
Nagase & Co Ltd	474	trading	192
National Australia Bank Group	350	banking	179

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Company	Rank	Industry	Page
National Coal Board	397	mining	188
National Iranian Oil Co	38	oil & gas	189
National Westminster Bank Plc	61	banking	178
Nationale-Nederlanden	186	insurance	186
NEC Corp	80	office equipment	189
Nederlandse Gasunie Group	67	oil & gas	189
Neste Group	148	oil & gas	190
Nestlé	28	food processing	183
Netherlands PTT	328	communications	181
Nichii Co Ltd	234	retailing	191
Nichimen Corp	21	trading	192
Nippon Credit Bank Ltd	285	banking	179
Nippon Express Co Ltd	220	transportation	193
Nippon Kokan KK	127	steel	191
Nippon Life Insurance Co	30	insurance	186
Nippon Mining Co Ltd	164	oil & gas	190
Nippon Oil Co Ltd	49	oil & gas	189
Nippon Steel Corp	52	steel	191
Nippon Suisan Kaisha Ltd	472	food processing	183
Nippon Telegraph & Telephone Corp	12	communications	181
Nippon Yusen Kaisha Line	294	transportation	193
Nippondenso Co Ltd	137	automotive	177
Nissan Fire & Marine Insurance	400	insurance	186
Nissan Motor Co Ltd	20	automotive	177
Nissan Shatai Co Ltd	496	automotive	178
Nissho Iwai Corp	8	trading	192
Nomura Securities Co Ltd	428	financial	183
Noranda	402	nonferrous metals	189
Norddeutsche Landesbank Group	497	banking	180
Norinchukin Bank	153	banking	178
Norsk Hydro AS	174	multicompany	188
Nova, an Alberta Corporation	414	oil & gas	190
Obayashi Corp	332	construction	181
OIAG-Österreichische Industrie	86	multicompany	188
Oji Paper Co Ltd	478	paper & packaging	190
Olivetti Group	317	office equipment	189
Ontario Hydro	297	utility	193
Osaka Gas Co Ltd	389	utility	193
Oshawa Group Ltd	453	food distribution	183
Otto Versand-Group	361	retailing	191
Panavia Aircraft	483	aerospace & defense	177
Paribas Group	103	banking	178
Pechiney	289	nonferrous metals	189
Pemex-Petróleos Mexicanos	16	oil & gas	189
Peninsular & Oriental Steam Nav	489	multicompany	188
Petro-Canada	245	oil & gas	190
Petrobras-Petróleo Brasileiro SA	34	oil & gas	189
Petrofina SA	71	oil & gas	189
Petróleos de Venezuela SA	54	oil & gas	189
Peugeot Groupe SA	60	automotive	177
Philips Group	22	electrical equipment	182
Pilkington Group	487	building products	180
Pirelli Group	302	automotive	177
Pohang Iron & Steel Co Ltd	435	steel	191
Preussag Group	226	multicompany	188
Promodès Group	303	supermarkets	192
Provigo Inc	284	food distribution	183
Prudential Corp Plc	187	insurance	186
PTT-Postes et Télécommunications	41	communications	181
Reed International Plc	384	publishing	190
Renault Group	48	automotive	177
REWE-Zentral Organisation	96	cooperative	182
Rhône-Poulenc Group	130	chemicals & drugs	180
Ricoh Co Ltd	464	office equipment	189
Rio Tinto-Zinc Corp Plc	114	nonferrous metals	189
Roche/Sapac Group	270	chemicals & drugs	180
Rolls-Royce Ltd	499	aerospace & defense	177
Rothmans International Plc	295	consumer goods	182
Royal Bank of Canada	107	banking	178
Royal Dutch/Shell Group	1	oil & gas	189
Royal Insurance Plc	208	insurance	186
Ruhrgas	139	oil & gas	190
Ruhrkohle	100	mining	188
RWE Group	83	utility	193
S Group	382	cooperative	182
Saab-Scania Group	262	automotive	177
Saarberg Group	404	mining	188
Sacilor	158	steel	191
J Sainsbury Plc	182	supermarkets	192
Saint-Gobain	102	building products	180
Saitama Bank Ltd	[illegible]	banking	179
Salzgitter	342	steel	191
Samsung Group	35	multicompany	188
Sandoz Group	287	chemicals & drugs	180
Sanpaolo Group	229	banking	179
Sanwa Bank Ltd	99	banking	178
Sanyo Electric Co Ltd	129	consumer electronics	181
SAS Group	459	transportation	193
Schlumberger Ltd	133	oilfield service	190
Schweizerische PTT	298	communications	181
Seagram Co Ltd	[illegible]	beverages	180
Sears Plc	367	retailing	191
Seiyu Ltd	280	retailing	191
Sekisui House Ltd	494	construction	181
Selex & Tania Handels AG	93	cooperative	182
Sharp Corp	178	consumer electronics	182
Shimizu Construction Co Ltd	255	construction	181
Shinsho Corp	395	trading	192
Shoko Chukin Bank	390	banking	179
SHV Holdings NV	240	multicompany	188

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[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	34	[illegible]	[illegible]
[illegible]	[illegible]	banking	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	110	[illegible]	[illegible]
Snow Brand Milk Products Co Ltd	301	food processing	183
Société Générale Group	83	banking	178
Solvay Group	254	chemicals & drugs	180
Sony Corp	143	consumer electronics	181
South African Breweries Ltd	411	retailing	191
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
STC Group Plc	391	communications	181
Steel Authority of India Ltd	356	steel	191
Steinberg Inc	359	supermarkets	192
STL-Finnish Wholesalers & Importers	222	cooperative	182
Cie Financière Sucres et Denrées	449	commodities	181
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	6	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Sumitomo Life Insurance Co	92	insurance	186
Sumitomo Metal Industries Ltd	160	steel	191
Sumitomo Trust & Banking Co Ltd	375	banking	179
Sun Alliance & London Insurance Plc	321	insurance	186
Sun Life Assurance Co	277	insurance	186
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	banking	[illegible]
[illegible]	[illegible]	banking	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Swiss Re Group	193	insurance	186
Taisei Corp	184	construction	181
Taiwan Power Co	324	utility	193
Taiyo Fishery Co Ltd	180	food processing	183
Taiyo Kobe Bank Ltd	211	banking	179
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Tengelmann Group	70	supermarkets	192
Tesco Plc	202	supermarkets	192
Le Groupe Thomson	120	electrical equipment	182
THORN EMI Plc	233	consumer electronics	182
Thyssen Group	58	steel	191

Company	Rank	Industry	Page
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Tokyo Electric Power Co	33	utility	193
Tokyo Gas Co Ltd	322	utility	193
Tokyo Sanyo Electric Co Ltd	473	electrical equipment	183
Toppan Printing Co Ltd	379	publishing	190
Toray Industries	315	textiles	192
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Toyo Seikan Kaisha Ltd	450	paper & packaging	190
Toyobo Co Ltd	500	textiles	192
Toyoda Tsusho Kaisha Ltd	147	trading	192
Toyota Motor Corp	9	automotive	177
Trafalgar House Plc	429	construction	181
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Unibanco Group	271	banking	179
Unico Pays de Loire	466	cooperative	182
Unigate Group	418	food processing	183
Unilever	14	food processing	183
Union Bank of Switzerland	238	banking	179
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
VIAG Group	221	multicompany	188
Volkswagen Group	23	automotive	177
Volvo Group	69	automotive	177
Westdeutsche Landesbank Group	227	banking	179
Westpac Group	198	banking	179
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Yasuda Fire & Marine Insurance Co Ltd	476	insurance	188
Yasuda Mutual Life Insurance Co	283	insurance	186
Yasuda Trust & Banking Co Ltd	407	banking	179
Zenkyoren	59	insurance	186
Zurich Insurance Group	195	insurance	186

The 100 largest foreign investments in the U.S.

AMERICA REMAINS a magnet for foreign capital. (If you want to know why, read the interview with Britain's Margaret Thatcher on p. 91.) Nearly $130 billion poured into the U.S. from overseas last year, a 25% increase from 1984. The trend is for an even greater increase in 1986.

Most of the foreign money ($110 billion) went into T bills, stocks, bonds and other financial assets. But an impressive $17.6 billion went toward foreign acquisitions in the U.S.

The money keeps coming in despite the fact that many foreign investments here flop (for a chilling example, see p. 140). Of the 101 foreign-owned U.S. companies in which a separate profit-and-loss statement can be broken out, 23 operations lost over $1.3 billion, all told, in the most recent fiscal year.

The largest single loss was reported by Anglo American Corp. of South Africa. Its 60%-owned Inspiration Resources, a mining and natural resources firm, lost $291.4 million on revenues of more than $1 billion. Another big loser was France's Renault, which dropped $125.3 million on its American Motors subsidiary. Britain's B.A.T Industries is unloading Gimbels and other U.S. retailing assets; Imperial Group, also of the U.K., finally sold Howard Johnson.

But as some foreign investors fade, others blossom. New to this year's list is Rupert Murdoch's News Corp., which last year spent $2.5 billion to acquire Twentieth Century-Fox, 6 Metromedia TV stations and 14 Ziff-Davis business magazines. Another Australian company, Broken Hill Proprietary, joined the list (in 93rd place) with its acquisitions: Utah International from GE, and Monsanto Oil Co. from Monsanto. If Americans sometimes lack faith in their own economy, it is quite clear that many well-heeled foreigners have a good deal of faith in it.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (millions)	Net income (millions)	Assets (millions)
1	Seagram Co Ltd*	Canada	EI du Pont de Nemours*	23%	chemicals, energy	$29,239	$1,118.0	$25,140
			Joseph E Seagram & Sons	100	alcoholic beverages	1,810	247.0	5,792
						31,049		
2	Royal Dutch/Shell Group*	Netherlands/UK	Shell Oil	100	energy	20,477	1,650.0	26,528
			Scallop Corp	100	energy services	1,500E	NA	NA
			Billiton Exploration	100	metals			
			Billiton Metals	100	metals			
			Other companies	100	metals, coal			
						21,977E		
3	British Petroleum Plc*	UK	Standard Oil*	55	energy	13,002	308.0	18,350
			BP North America Inc	100	energy	4,871	194.1	3,470
						17,873		
4	Mitsui & Co Ltd*	Japan	Mitsui & Co (USA)	100	trading company	8,470E	30.1	2,918
			Alumax	45	aluminum	1,887	62.9	1,713
						10,357E		
5	B.A.T Industries Plc*	UK	BATUS Inc	100	multicompany	5,087	164.0	4,517
	*Imasco Ltd**	Canada	Peoples Drug Stores	100	drug stores	1,327	NA	NA
			Imasco USA	100	fast food	1,094	NA	NA
	Eagle Star Holdings	UK	Eagle Star Insurance	100	insurance	61	–13.2	116
						7,569		
6	Tengelmann Group	Germany	Great A&P Tea*	53	supermarkets	6,615	56.1	1,664
7	Régie Nationale des Usines Renault	France	American Motors*	46	automotive	4,040	–125.3	2,001
			Mack Trucks*	42	automotive	2,063	–59.8	1,062
						6,103		
8	Nestlé	Switzerland	Carnation	100	food	2,500E	NA	NA
			Nestlé Enterprises	100	food, restaurants	2,500E	NA	NA
			Hills Brothers	100	coffee	415	NA	NA
			Alcon Laboratories	100	optical products	350E	NA	NA
			MJB	100	coffee	151	NA	NA
						5,916E		
9	Beneficiaries of US Philips Trust	Netherlands	North American Philips*	58	electronics	4,395	81.5	2,643
			Signetics	100	semiconductors	450E	NA	NA
						4,845E		
10	Volkswagenwerk AG*	Germany	Volkswagen of America	100	automotive	4,326	NA	NA
11	Unilever*	Netherlands	Lever Brothers	100	consumer goods	2,099	–38.5	NA
			Thomas J Lipton	100	food, beverages	1,270	80.4	778
			National Starch & Chem	100	adhesives, starch	880	66.0	654
						4,249		

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The 100 largest foreign investments in the U.S.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (millions)	Net income (millions)	Assets (millions)
12	Hanson Trust Plc*	UK	Hanson Industries	100%	consumer goods	$1,850	$110.9	$1,261
			SCM	100	multicompany	2,175	41.8	1,361
						4,025		
13	Bayer AG	Germany	Mobay Chemical	100	chemicals	1,599	77.1	1,215
			Miles Laboratories	100	health care	1,178	20.2	961
			Agfa-Gevaert	100	photography	422	NA	NA
			Helena Chemcial Company	100	chemicals	410	NA	98
			Compugraphic Corp*	81	computer typesetting	401	22.0	330
						4,010		
14	Bell Canada Enterpr*	Canada						
	*Northern Telecom Ltd**	Canada	Northern Telecom Inc	100	telecommunications	2,878	NA	1,869
	*Trans Canada Pipeline**	Canada	Great Lakes Transmission	50	gas transmission	287	25.2	373
			Northern Border Pipeline	30	gas transmission	244	58.7	1,189
						3,409		
15	Anglo Amer of S Africa*	South Africa	Engelhard Corp*	30	metals	2,264	42.7	936
	*Minerals & Resources**	Bermuda	Inspiration Resources (US)*	60	mining, chemicals	1,056	–291.4	731
	*Charter Consol**	UK	National Mine Service*	51	mining equipment	62	–18.4	NA
						3,382		
16	Générale Occidentale SA	France	Grand Union	100	supermarkets	2,612	20.5	592
	General Oriental	Br W Indies	Crown Zellerbach	100	timber, containers	592	NA	NA
						3,204		
17	Mitsubishi Corp*	Japan	Mitsubishi Intl Corp	100	trading company	2,950E	NA	NA
18	Electrolux AB*	Sweden	White Consolidated	100	appliances	1,946	34.1	1,140
			Dometic Inc	100	appliances	891	NA	439
						2,837		
19	Franz Haniel & Cie	Germany	Scrivner Inc	100	food distribution	2,800	NA	NA
20	BASF Group	Germany	BASF Corporation	100	chemicals	2,568	39.0	2,277
21	Group Bruxelles Lambert	Belgium	Drexel Burnham Lambert	26	finance	2,500	350.0E	33,051
22	Hongkong & Shanghai Banking Corp*	Hong Kong	Marine Midland Banks*	51	banking	2,495	125.1	23,386
23	Canadian Pacific Ltd*	Canada	Canadian Pacific Ltd USA	100	agricultural prods, minerals	774	NA	1,448
			Soo Line Corp*	56	railroad	618	–8.7	1,138
	*AMCA Intl Ltd**	Canada	AMCA US	100	industrial machinery	1,096	NA	544
						2,488		
24	Crédit Suisse	Switzerland	First Boston*	34	investment banking	2,452	130.3	45,531
25	Petrofina SA	Belgium	American Petrofina*	82	energy	2,409	–10.2	1,817
26	Elf Aquitaine Group	France	Elf Aquitaine Inc	100	multicompany	2,215	NA	3,478
			Other companies	50-100	chemicals, drugs, bldg materials	165E	NA	NA
						2,380E		
27	CIBA-GEIGY Ltd	Switzerland	CIBA-GEIGY Corp	100	chemicals, drugs	2,363	NA	NA
28	Delhaize "Le Lion" SA	Belgium	Food Lion*	51	supermarkets	1,866	47.6	440
			Food Giant	100	supermarkets	482	–9.5	56
						2,348		
29	Total CFP	France						
	*Total Petrol NA Ltd**	Canada	Total Petroleum Inc	100	energy	2,325	76.8	811
30	George Weston Ltd*	Canada	Eastern Fine Paper	100	paper products			
			Interbake Inc	100	bakery	438	NA	
			Stroehmann Bakeries	100	bakery			504
	*Loblaw Cos**	Canada	Peter J Schmitt	100	food wholesaling	1,657	NA	
			National Tea	100	supermarkets			
						2,095		
31	Nippon Kokan*	Japan	National Steel	50	steel	2,082	–88.4	1,737
32	Imperial Chemical Industries Plc*	UK	ICI Americas	100	chemicals, drugs	1,600E	NA	NA
			Advanced Materials	100	chemicals	400	NA	NA
			ICI Specialty Chemicals	100	chemicals			
						2,000E		

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Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (millions)	Net income (millions)
33	**Brascan Ltd***	Canada					
	Noranda Mines Ltd*	Canada	Noranda Inc*	100%	aluminum	$1,053	NA
	MacMillan Bloedel*	Canada	MacMillan Bloedel	100	forest products	946	NA
						1,999	
34	**Schlumberger NV***	Neth Antilles	Schlumberger Technology	100	oilfield svs, electronics	1,983	NA
35	**Alcan Aluminium Ltd***	Canada	Alcan Aluminum	100	aluminum	1,957	$42.0
36	**Siemens AG***	Germany	Siemens Communication	100	telecommunications	1,862	–28.0
			Siemens Components	100	electronic components		
			Siemens Info Systems	100	office equipment		
			Siemens Medical Systems	100	medical equipment		
			Other companies	100	communications		
37	**Rio Tinto-Zinc Plc***	UK	US Borax & Chemical	100	mining, chemicals	<1,382	NA
			Penn Glass Sand	100	glass		
			Commonwealth Aluminum	35	aluminum		
	RTZ Pillar Ltd	UK	Indal US	61	building materials	406	NA
						1,788	
38	**Dalgety Plc**	UK	Martin-Brower Co	100	distribution	1,778	NA
			Modern Maid Food	100	food products		
			Pig Improvement Co	100	pig breeding		
39	**Royal Insurance Plc**	UK	Royal USA	100	insurance	1,737	31.6
40	**Hoechst AG***	Germany	American Hoechst	100	chemicals	1,660	5.7
41	**Barclays Plc**	UK	BarclaysAmericanCorp	100	financial services	501	–35.2
			Barclays Bank NY	100	banking	1,121	9.7
			Barclays Bank Calif	100	banking		
						1,622	
42	**Vendex International**	Netherlands	Dillard Dept Stores*	44	retailing	1,601	66.9
43	**Ahold NV**	Netherlands	BI-LO	100	supermarkets	1,085	NA
			Giant Food Stores	100	supermarkets	483	NA
						1,568	
44	**Henkel KGaA**	Germany	Clorox	23	household products	1,055	86.1
			Loctite Corp	26	chemicals	231	NA
			Henkel Corp	100	chemicals	209	NA
			Amchem Products	100	chemicals	54	NA
						1,549	
45	**Thyssen Group**	Germany	Budd Co	100	auto parts	1,377	NA
			Transit America	100	railroad cars	158	NA
						1,535	
46	**Grand Metropolitan Plc***	UK	GrandMet USA	100	multicompany	1,486	81.1
47	**BTR Plc***	UK	BTR Inc	100	energy, industrial equip	1,450E	NA
48	**Volvo AB***	Sweden	Volvo White Truck	100	automotive	751	18.0
			Hamilton Oil Corp*	50	energy	275	26.5
			Clark Michigan Co	25	automotive	411	–15.0
						1,437	
49	**Moore Corp Ltd***	Canada	Moore Business Forms	100	business forms	1,425	NA
50	**Crownx**	Canada	Crown Life Insurance	94	insurance	1,100E	34.0E
			Extendicare Group	100	health care	210E	NA
			Crowntek	100	information technology	74E	NA
						1,384E	
51	**Sun Life Assurance Co of Canada**	Canada	Sun Life (US)	100	insurance	851	–4.1
			Suncan Equity Services	100	financial services		
			Sun Benefit Services	100	financial services		
			Mass Financial Services	100	financial services	500E	NA
						1,351E	
52	**Genstar Corporation***	Canada	Genstar USA	100	bldg materials, RE dev	1,164	NA
			Genstar Mortgage	100	financial services	176	NA
						1,340	

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Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (millions)	Net income (millions)
53	Power Corp of Canada	Canada	Great-West Life Assur	96%	insurance	$1,317	$13.7
54	Sanyo Electric Co Ltd*	Japan	Fisher Corp	70	audio equipment	866	NA
			Sanyo Manufacturing	74	electronics, appliances	389	2.0
			Sanyo E&E	48	electronics, appliances	48	NA
						1,303	
55	Daimler-Benz Group	Germany	Freightliner	100	automotive	1,302	NA
56	Alusuisse	Switzerland	Consolidated Aluminum	100	aluminum	650E	
			Maremont	100	auto parts	465	
			Lonza	100	chemicals		−80.0
			Boxal	100	aluminum cans	186	
			Flexible Packaging	100	foil conversion		
						1,301E	
57	Ultramar Plc*	UK	Ultramar America Ltd	100	energy	1,299	NA
58	BOC Group Plc*	UK	BOC Group, Inc	100	gases	1,224	NA
			Mountain Medical Equip*	52	medical equipment	36	2.2
						1,260	
59	Commercial Union Assurance Plc	UK	Commercial Union Ins	100	insurance	1,250	−180.1
60	Saban SA *Republic Holding SA*	Switzerland Luxembourg	Republic NY Corp*	33	banking	1,245	122.1
61	Montedison Group	Italy	Himont	100	chemicals	900	52.8
			Compo Industries	86	chemicals	168	−4.5
			Erbamont*	72	pharmaceuticals	163	8.5
						1,231	
62	Nationale-Nederlanden	Netherlands	Nationale-Nederlanden US	100	insurance	1,209	35.1
63	Manufacturers Life Insurance Co	Canada	Manufacturers Life Ins	100	insurance	1,200E	NA
64	First City Financial Corp	Canada	HH Robertson*	21	construction	614	−32.0
			Scovill Inc	100	bldg materials, appliances	554	2.0
						1,168	
65	General Accident Fire & Life Plc	Scotland	Gen Accident Ins Amer	100	insurance	1,152	101.7
			Camden Fire Insurance	100	insurance		
			Penn General Insurance	100	insurance		
			Potomac Ins of Illinois	100	insurance		
66	Saint-Gobain	France	CertainTeed Corp*	57	building materials	1,110	53.4
67	Beecham Group Plc*	UK	Beecham	100	drugs, consumer prods	1,100	NA
			Beecham Cosmetics	100	cosmetics, fragrances		
			Beecham Home Improve	100	home improvement		
67	General Electric Plc*	UK	Picker International	80	medical equipment	700E	NA
			AB Dick	100	office equipment	400E	NA
						1,100E	
69	United Biscuits (Holdings) Plc	UK	Keebler	100	bakery	982	NA
			Specialty Brands	100	food products	86	NA
						1,068	
70	Sandoz Ltd	Switzerland	Sandoz United States Inc	100	multicompany	1,059	NA
71	Lama Holdings	Mideast	Smith Barney	23	financial services	1,015	NA
72	Roche/Sapac	Switzerland	Hoffmann-La Roche	100	drugs, chemicals	1,000E	NA
72	Kuwait Petroleum	Kuwait	Santa Fe Intl (KPC)	100	energy	1,000E	NA
74	AEGON NV*	Netherlands	Life Investors*	81	insurance	888	44.0
			National Old Line	100	insurance	96	22.0
						984	
75	SNECMA	France	CFM International Inc	50	aviation	972	2.2
76	Bank of Tokyo Ltd*	Japan	California First Bank*	77	banking	550	25.6
			Bank of Tokyo Trust	100	banking	415	25.5
						965	

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77	Canada Development Corp	Canada	Savin Corp*	67%	office equipment	$430	$-102.7	$223
			Other companies	100	energy	530	NA	482
						960		
78	Winterthur Swiss Insurance	Switzerland	Republic Finl Services	100	insurance	956	NA	1,200
79	Consolidated Gold Fields Plc*	UK	Newmont Mining*	26	mining	684	-36.4	2,085
			Gold Fields American	100	natural resources	261	-71.0	825
						945		
80	National Westminster Bank Plc	UK	Natl Westminster Bank US	100	banking	931	54.6	9,796
81	Bank of Montreal	Canada	Harris Bankcorp	100	banking	915	57.5	9,245
82	TBG Holdings NV	Netherlands	Electrical Sciences Inc	100	electrical products	900E	NA	NA
			InCon Packaging Inc	100	containers			
			Info Technology Group	100	electronic information			
			Metalink	100	metal products			
			Sterling Fluid Products	100	pumps			
83	Olympia & York Developments Ltd	Canada	Landmark Land*	25	recreation	228	15.3	1,658
	Trizec	Canada	Rouse*	20	property dev, banking	247	9.7	1,191
	Gulf Canada	Canada	Abitibi-Price	90	forest products	413	NA	194
						888		
84	NV AMEV	Netherlands	AMEV Holdings Inc	100	insurance	879	64.0	1,765
85	Fujitsu Ltd*	Japan	Amdahl Corp*	47	electronics	862	24.4	907
86	Honda Motor Co Ltd*	Japan	Honda of America Mfg	100	automotive	850E	NA	NA
87	Otto Versand	Germany	Spiegel Inc	100	catalog retailing	848	13.0	687
88	News Corporation Ltd*	Australia	News America	100	media	829	NA	1,277
89	IFI International SA	Luxembourg	Moog Automotive	100	auto parts	660E	NA	NA
			Chicago Rawhide	100	auto parts			
			Incom International	100	industrial components			
			RC Cement	20	cement	160	NA	NA
						820E		
90	Northern Foods Plc	UK	Prestige Foods	100	meat products	813	NA	234
			Keystone Foods	80	meat and poultry			
90	J Sainsbury Plc*	UK	Shaw's Supermarkets	21	supermarkets	812	11.3	152
92	Sobey Parties	Canada	Hannaford Brothers*	26	food distribution	807	14.4	220
93	Swiss Reinsurance Co	Switzerland	SwissRe Life Insurance	100	insurance	330	-55.6	787
			North Am Reinsurance	100	insurance	266	-51.1	681
			North Am Reassurance	100	insurance	105	-15.4	552
			Other companies	100	insurance	106	12.6	431
						807		
94	Broken Hill Proprietary	Australia	Utah International	100	energy, mining	600E	NA	NA
			Monsanto Oil Company	100	energy	200E	NA	NA
						800E		
95	Standard Chartered Bank Group	UK	Union Bank	100	banking	765	47.1	9,038
96	Pilkington Brothers Plc	UK	LOF Glass	100	glass	690	NA	375
			Other companies	25-100	electro-optics	71	NA	NA
						761		
97	Six European Banks	6 countries	European Amer Bancorp	100	banking	753	10.2	6,655
98	Johnson Matthey Plc	UK	Johnson Matthey Inc	100	printing, refining	750	7.3	431
99	Zurich Insurance Group	Switzerland	Zurich-American Ins	100	insurance	735	-19.6	1,463
100	Promodes	France	Red Food Stores	100	supermarkets	451	8.9	165
			Houchens	100	supermarkets	208		
			Prairie	100	supermarkets	56		
						715		

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The 100 largest U.S. multinationals

Another difficult year was 1985 for FORBES' 100 largest U.S. multinational corporations. The group's total foreign sales, $409 billion last year, was $16.2 billion less than the year before. Foreign operating profits also fell, by 3.3%, to $26.4 billion. Add these lackluster foreign results to limp domestic results, and the aggregate profits of the country's 100 biggest multinationals dropped from $88 billion in 1984 to $77 billion last year.

Most woes stemmed from the dollar, overvalued until the Group of Five's currency intervention was announced Sept. 22, and from sluggish foreign economies, neither of which executives could do much about. Against this background, the ability of IBM, General Motors and 49 other multinationals on our list to increase their overseas revenues last year was the more impressive. Gillette boosted its foreign sales by $189 million, jumping from 83rd place on last year's ranking to 71st place below.

For Big Oil, the dollar was only one problem. The other was falling energy prices, which helped cut the foreign revenues for all but 4 (Mobil, Amoco, Phillips and Atlantic Richfield) of the 11 oils on the list. Exxon lost $4 billion in foreign sales, but remains first on our list by a wide margin. But Chevron dropped from fourth place on last year's list to eighth place on this year's. Fluor, the troubled construction outfit that made lots of money during OPEC's building heyday, dropped off the list altogether. So did Avon Products, thanks to a buyout and restructuring.

Merger mania also helps explain new faces on this year's list. Six multinationals from last year's list became three as R.J. Reynolds and Nabisco merged to form RJR Nabisco; Allied Corp. and Signal Cos. became Allied-Signal; and Philip Morris acquired General Foods. New on the list: Dresser Industries, Rockwell International, Abbott Laboratories, PPG Industries, American Standard and Westinghouse.

The outlook for next year? Partly sunny. A recession is possible; and energy prices are likely to remain depressed, therefore suggesting no rebound for the oils. But the beneficial effects of the dollar's correction are beginning to work through the system.

Short of a nasty trade war—still a possibility despite the Administration's subtle handling so far—the multinationals most hurt by the effects of the strong dollar stand to benefit most now that it has corrected.

1985 rank	Company	Foreign revenue (millions)	Total revenue (millions)	Foreign revenue as % of total	Foreign operating profit (millions)	Total operating profit (millions)	Foreign operating profits as % of total	Foreign assets (millions)	Total assets (millions)	Foreign assets as % of total
1	**Exxon**	$59,067	$86,673	68.1%	$3,530[1]	$5,604[1]	63.0%	$30,049	$69,160	43.4%
2	**Mobil**	32,678[2]	57,111[2]	57.2	1,317[3]	1,040[3]	126.6	18,867	41,752	45.2
3	**Texaco**	21,864	46,297	47.2	876[4]	1,864[4]	46.9	11,142	37,703	29.6
4	**IBM**	21,545	50,056	43.0	3,084[3]	6,555[3]	47.0	21,733	52,634	41.3
5	**General Motors**	16,167	96,372	16.8	419[3]	3,999[3]	10.5	18,570	62,643	21.3
6	**Ford Motor**	15,995	52,774	30.3	527[3]	2,515[3]	21.0	15,725	31,366	50.1
7	**Salomon**	15,100	27,896	54.1	286[3]	557[3]	51.3	7,800	88,601	8.8
8	**Chevron**	12,722	41,742	30.5	765[3]	1,547[3]	49.5	9,165	38,899	23.6
9	**Citicorp**	10,600[5]	22,504	47.1	545[3]	998[3]	54.6	78,259[6]	160,505[6]	48.8
10	**EI du Pont de Nemours**	10,551[7]	29,239[7]	36.1	356[4]	1,574[4]	22.6	7,546	25,140	30.0
11	**ITT**[8]	7,754	20,007	38.8	164[3]	294[3]	55.8	11,745	37,849	31.0
12	**Dow Chemical**	6,326	11,537	54.8	382	637	60.0	5,509	11,830	46.6
13	**Amoco**	5,984[2,13]	27,258[2]	22.0	785[3]	1,953[3]	40.2	6,520	25,198	25.9
14	**BankAmerica**	5,144	13,390	38.4	–420[3]	–337[3]	124.6	41,882[6]	118,974[6]	35.2
15	**Chase Manhattan**	5,024	9,733	51.6	194[3]	565[3]	34.3	40,830	87,685	46.6
16	**Safeway Stores**	4,261	19,651	21.7	113[3]	231[3]	48.9	1,110	4,841	22.9
17	**JP Morgan**	3,684	6,575	56.0	335[3]	705[3]	47.5	32,476	69,375	46.8
18	**Procter & Gamble**	3,625	13,552	26.7	96[3]	635[3]	15.1	1,946	9,683	20.1
19	**Occidental Petroleum**	3,619[2]	15,644[2]	23.1	132[3]	455[3]	29.0	2,667	11,586	23.0
20	**RJR Nabisco**	3,262[5]	13,533	24.1	398	2,246	17.7	4,347	16,930	25.7

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SPECIAL REPORT ON INTERNATIONAL BUSINESS

The 100 largest U.S. multinationals

1985 rank	Company	Foreign revenue (millions)	Total revenue (millions)	Foreign revenue as % of total	Foreign operating profit (millions)	Total operating profit (millions)	Foreign operating profits as % of total	Foreign assets (millions)	Total assets (millions)	Foreign assets as % of total
21	**Eastman Kodak**	$3,239	$10,631	30.5%	$167	$561	29.8%	$3,262	$12,135	26.9%
22	**Xerox**[6]	3,187	11,736	27.2	152[9]	381[9]	39.9	3,926	17,163	22.9
23	**Goodyear**	3,148	9,585	32.8	177	640	27.7	2,320	6,954	33.4
24	**Phillips Petroleum**	3,125	15,636	20.0	1,339	2,729	49.1	2,687	14,045	19.1
25	**General Electric**	3,112[2]	29,272[2]	10.6	101[3]	2,336[3]	4.3	3,809	26,432	14.4
26	**Coca-Cola**	2,996	7,904	37.9	611	1,045	58.5	1,727	6,898	25.0
26	**United Technologies**	2,996	14,992	20.0	116[3]	313[3]	37.1	2,780	10,528	26.4
28	**Sears, Roebuck**	2,905	40,715	7.1	25[3]	1,303[3]	1.9	1,917	66,417	2.9
29	**Hewlett-Packard**	2,809[10]	6,505	43.2	331[11]	758[11]	43.7	1,797	5,680	31.6
30	**Manufacturers Hanover**	2,808	8,385	33.5	124[3]	407[3]	30.5	27,361	76,526	35.8
31	**American Express**	2,749	11,850	23.2	316	1,427	22.1	18,295	74,777	24.5
32	**Tenneco**	2,669	15,270	17.5	202	1,496	13.5	3,387	20,437	16.6
33	**Union Carbide**	2,632	9,003	29.2	272	826	32.9	3,054	10,581	28.9
34	**Dart & Kraft**	2,625	9,942	26.4	289	998	29.0	1,416	5,502	25.7
35	**Digital Equipment**	2,608	6,686	39.0	305	450	67.8	2,254	6,369	35.4
36	**Minn Mining & Mfg**	2,594	7,846	33.1	332	1,150	28.9	1,874	6,593	28.4
37	**Pan Am Corp**	2,591	3,484	74.4	50	−182	P–D	NA	2,448	NA
38	**Bankers Trust New York**	2,551	4,699	54.3	167[3]	371[3]	45.0	28,428	50,581	56.2
39	**Sun Co**	2,534[2]	14,410[2]	17.6	19[12]	644[12]	3.0	3,052	12,923	23.6
40	**Chrysler**	2,488	21,256	11.7	257[11]	2,370[11]	10.8	2,062	12,582	16.4
41	**CPC International**	2,445	4,210	58.1	199	359	55.4	1,735	3,017	57.5
42	**Johnson & Johnson**	2,431	6,421	37.9	237[3]	614[3]	38.6	1,966	5,095	38.6
43	**Colgate-Palmolive**	2,354	4,524	52.0	133	329	40.4	1,008	2,814	35.8
44	**FW Woolworth**	2,310	5,958	38.8	126	409	30.8	981	2,535	38.7
45	**American Intl Group**	2,253[13]	5,782	39.0	364[14]	391	93.1	5,948[13]	15,571	38.2
46	**Burroughs**	2,203	5,038	43.7	273	601	45.4	1,799	4,556	39.5
47	**GTE**	2,169	15,732	13.8	101[3]	−161[3]	P–D	3,405	26,558	12.8
48	**Atlantic Richfield**	2,138	21,723	9.8	96[9]	333[9]	28.8	1,815	20,279	9.0
49	**Allied-Signal**	2,047	9,115	22.5	129[9]	−279[9]	P–D	1,694	13,271	12.8
50	**American Brands**[8]	2,007	5,616	35.7	173	898	19.3	1,672	8,371	20.0
51	**NCR**	1,965	4,317	45.5	178	399	46.4	1,328	3,940	33.7
52	**Monsanto**	1,923	6,747	28.5	216	351	61.5	1,670	8,877	18.8
53	**K mart**[6]	1,886	23,421	8.1	40[9]	471[9]	8.5	706	10,102	7.0
54	**Chemical New York**	1,872	5,651	33.1	116[3]	390[3]	29.7	18,619	56,990	32.7
55	**Motorola**	1,818	5,443	33.4	76	200	38.0	1,046	4,370	23.9
56	**Unocal**	1,781[2]	11,059[2]	16.1	80[3]	325[3]	24.6	1,585	10,797	14.7
57	**Philip Morris**	1,779	12,149	14.6	146	2,686	5.4	2,752	17,429	15.8
58	**Sperry**	1,698	5,741	29.6	286	542	52.8	1,320	5,890	22.4
59	**Pfizer**	1,682	4,025	41.8	298	929	32.1	1,763	4,463	39.5
60	**Honeywell**	1,647	6,625	24.9	101[3]	282[3]	35.8	1,736	5,034	34.5

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61	Trans World Airlines	$1,610	$3,725	43.2%	$-19[11]	$-217[11]	8.8%	$1,206	$2,76[illegible]	43.6%
62	Merck	1,589	3,548	44.8	214	853	25.1	1,791	4,902	36.5
63	Sara Lee	1,510	8,117	18.6	109[11]	348[11]	31.3	1,143	3,216	35.5
64	Cigna	1,506	16,197	9.3	–44	–855	5.1	5,087	44,736	11.4
65	Bank of Boston	1,500[5]	3,436	43.7	2[3]	174[3]	1.1	7,314[6]	23,8[illegible][6]	30.7
66	Scott Paper[8]	1,454	4,068	35.7	47[3]	201[3]	23.4	1,324	4,245	31.2
67	Caterpillar	1,445	6,725	21.5	–16	513	D–P	1,273	6,016	21.2
68	Texas Instruments	1,418	4,924	28.8	–4[11]	–115[11]	3.5	949	3,076	30.9
69	Halliburton	1,400	4,781	29.3	59	89	66.3	1,156	4,662	24.8
70	HJ Heinz	1,386	4,048	34.2	155	491	31.6	883	2,474	35.7
71	Gillette	1,375	2,400	57.3	233	380	61.3	1,182	2,425	48.7
72	First Chicago	1,346	4,370	30.8	–85[3]	169[3]	D–P	11,888	38,893	30.6
73	WR Grace	1,320	5,193	25.4	188	401	46.9	890	5,421	16.4
74	Bristol-Myers	1,315	4,444	29.6	213	890	23.9	1,020	3,721	27.4
75	TRW	1,260	5,917	21.3	137	480	28.5	993	3,735	26.6
76	Aluminum Co of America[8]	1,223	5,805	21.1	52[14]	21[14]	247.6	2,403	7,409	32.4
77	Deere	1,219	4,061	30.0	50	93	53.8	920	5,462	16.8
78	Control Data	1,209	4,810	25.1	50	–124	P–D	1,732	8,565	20.2
79	Warner-Lambert	1,162	3,200	36.3	286	559	51.2	819	2,358	34.7
80	Enron	1,142	10,253	11.1	85	620	13.7	810	9,893	8.2
81	Kimberly-Clark	1,135	4,073	27.9	67[9]	267[9]	25.1	1,053	3,504	30.1
82	Amerada Hess	1,128	7,653	14.7	119[9]	–260[9]	P–D	1,639	6,219	26.4
83	Dresser Industries	1,088	4,111	26.3	88	–95	P–D	890	3,225	27.6
84	Firestone	1,063	3,836	27.7	91	145	62.8	772	2,528	30.5
85	Continental Illinois	1,062	2,880	36.9	7[3]	134[3]	5.2	10,100[6]	28,300[6]	35.7
86	SmithKline Beckman	1,055	3,257	32.4	174	740	23.5	1,035	3,733	27.7
87	American Home Products	1,048	4,685	22.4	209	1,211	17.3	673	3,395	19.8
88	American Cyanamid	1,047	3,536	29.6	78[3]	129[3]	60.5	744	3,405	21.9
89	Security Pacific	1,045	5,537	18.9	68[3]	323[3]	21.1	11,851	53,503	22.2
90	Eli Lilly	1,039	3,271	31.8	204[11]	797[11]	25.6	1,097	3,954	27.7
91	Hercules[8]	1,035	3,146	32.9	121	201	60.2	1,025	2,987	34.3
92	Continental Corp	1,031	5,092	20.2	1	–259	P–D	2,656	11,495	23.1
93	Rockwell International	957	11,338	8.4	122	1,178	10.4	965	7,533	12.8
94	PepsiCo	952	8,057	11.8	67	859	7.8	1,054	5,861	18.0
95	Abbott Laboratories	950	3,360	28.3	151	754	20.0	734	3,462	21.2
96	PPG Industries	934	4,346	21.5	54	617	8.8	967	4,084	23.7
97	American Standard	930	2,912	31.9	119	235	50.6	649	2,269	28.6
98	Quaker Oats	927	3,520	26.3	77	376	20.5	449	1,842	24.4
99	Irving Bank	906	2,028	44.7	64[3]	116[3]	55.2	9,310[5]	21,651	43.0
100	Westinghouse Electric	904	10,700	8.4	67	742	9.0	684	9,682	7.1

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SPECIAL REPORT ON INTERNATIONAL BUSINESS

100 U.S.-traded foreign stocks

INVESTORS INTERESTED in international equity diversification can buy into any of the dozens of U.S.-registered open- and closed-end mutual funds specializing in foreign securities. Or, with more hassle and risk, they can directly buy individual stocks on other countries' exchanges. A third alternative—picking individual foreign issues that trade in U.S. markets—might make most sense, combining the relative safety of the funds with the higher risk/reward quotient of direct overseas investing.

Following is a list of 100 publicly owned foreign companies that are widely traded in the U.S. on the New York or American stock exchanges or over-the-counter. In some cases the shares that trade here are identical to those that trade in the companies' home markets. France's Club Med and the Netherlands' Royal Dutch Petroleum are examples. The buyer or his broker takes delivery of the certificates, just as he would a share of GM.

For 61 of the 100 issues, however, investors are buying American Depositary Receipts. ADRs are issued by U.S. banks that hold the corresponding share certificates in their vaults overseas. ADRs, in other words, are claims of ownership rather than actual stock certificates.

Remember that in many cases the ADR claim is not on a single share but on a bundle of shares. Each ADR for Japan's highly successful retailer Ito-Yokado (FORBES, *June 2*), for example, is backed by four Ito-Yokado common shares. That's a good thing to recall when comparing the price for Ito-Yokado (recently 3,930 yen, or $24, a share in Tokyo) with the price of Ito-Yokado's ADRs (recently $94, up from $42.25 a year ago).

The big questions, of course, are where the dollar is heading and whether overseas markets will continue to perform as well as they have over the last year or two. "A year ago you could have bought a group of 100 foreign stocks and then gone out to play golf," says Gavin Dobson, vice president of Kemper International Fund. "Now you've got to be more selective because the foreign markets have gone up so much."

Dobson likes Hong Kong because the Hong Kong dollar is pegged to the U.S. dollar and so has dropped sharply against the yen and the deutsche mark. "Hong Kong," he says, "was already one of the most efficient exporters in the world, and the decline in its currency will make the country unbeatable." He also believes the U.K. and West Germany will have real GNP growth of about 3% a year, after inflation, for the next few years.

			Price		Latest			
Exch	Company/business	Corporate headquarters	recent	52-week high – low	12-mos EPS	P/E	Dividend	Yield
o	Advanced Semi Mtls Ind NV/eq to mfr semicon	Netherlands	9⅛	14⅛– 7⅛	$-2.00	NM	$0.00	—
a	Alliance Tire & Rubber/tire & rubber	Israel	2¼	2½– 1⅜	-1.06	NM	0.00	—
a	Amer Israeli Paper Mills/paper prod	Israel	13⅛	14⅜– 6⅛	1.93	6.8	0.30	2.3%
o	Aseco Reinsurance/insurance	Bermuda	2¼	3⅜– ¾	–0.65	NM	0.00	—
o	●Anglo Amer Cp S Afr/gold, diamonds	South Africa	10¾	16⅛– 8⅛	2.04	5.3	0.54	5.0
o	●Anglo Amer Gold Inv/invest co	South Africa	5⅝	9⅝– 4⅛	0.77	7.3	0.51	9.1
n	ASA Limited/closed-end invest co	South Africa	33½	51⅜– 32⅝	2.26	14.8	2.25	6.7
a	Atlas Cons Min & Devel/copper & gold	Philippines	½	1⅛– ⅜	–0.82	NM	0.00	—
n	●Banco Central SA/bank	Spain	23	25½– 9	1.40	16.4	0.67	2.9
a	●BAT Industries/tobacco, paper prods	UK	6¼	6⅞– 3⅝	0.66	9.5	0.19	3.0
o	●Beecham Group/drugs, food process	UK	6	6½– 4	0.32	18.8	0.17	2.8
n	Benguet/gold and copper, machinery	Philippines	3¼	6⅛– 3⅛	–0.23	NM	0.00	—
o	●Blyvooruitzicht Gold Min/gold, uranium	South Africa	4⅜	6⅞– 3⅞	1.21	3.6	0.65	14.9
o	●Bowater Industries/paper products	UK	4⅞	5⅛– 3⅛	0.26	18.8	0.16	3.3
o	Briland/oil, gas exploration	Australia	1⅜	5 – ½	–0.09[1]	NM	0.00	—
n	●British Petroleum/integrated oil	UK	35½	36¾– 27⅛	3.86	9.2	2.45	6.9
n	●British Telecom/telecomm	UK	35⅞	44 – 34	2.15	16.7	1.20	3.3
o	●Broken Hill Prop/steel, oil & gas prod	Australia	12	12¾– 7⅝	0.98	12.2	0.40	3.3
o	●Buffelsfontein Gold Mining/gold, uranium	South Africa	18⅞	38¼– 17⅝	13.35	1.4	3.51	18.6
o	●Burmah Oil/oil	UK	5⅝	5⅞– 3⅛	0.45	12.8	0.33	5.7

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter. ●American Depositary Receipts. NM: Not meaningful. [1] 1984 EPS.

100 U.S.-traded foreign stocks

Exch	Company/business	Corporate headquarters	Price recent	Price 52-week high – low	Latest 12-mos EPS	P/E	Dividend	Yield
o	•**Cadbury Schweppes**/food processing	UK	28	28⅝– 18⅛	$1.34	20.9	$1.02	3.6%
o	•**Canon**/precision instruments	Japan	31⅜	34⅝– 18⅛	1.47	21.3	0.27	0.9
n	**Club Med**/resorts	BWI	29¾	32¼– 20	1.08	27.5	0.20	0.7
o	**Challenger Intl**/oil	Bermuda	5	9 – 4½	–2.74	NM	0.20	4.0
n	**Commodore Intl**/computer equip	Bahamas	6½	12⅞– 4⅜	–8.11	NM	0.00	—
a	•**Courtaulds**/textiles	UK	4⅛	4⅝– 1⅝	0.41	10.1	0.07	1.7
o	•**De Beers Cons Mines**/diamonds	South Africa	6½	7⅞– 3⅝	1.12	5.8	0.20	3.1
o	•**Driefontein Consolidated**/gold	South Africa	13⅜	26 – 12⅛	2.20	6.1	1.27	9.5
o	**ECI Telecom**/telecommunications	Israel	3⅝	13 – 3⅜	–1.11	NM	0.00	—
o	•**Elan**/biotechnology	Ireland	15⅛	15½– 6⅜	0.01[1]	NM	0.00	—
o	**Elbit Computers**/computer equip	Israel	8⅜	10⅜– 6⅞	1.40	6.0	0.00	—
o	**Elron Electronic Inds**/cmptr & med equip	Israel	6¼	10½– 6¼	–1.51	NM	0.00	—
n	**Elscint**/precision instruments	Israel	2⅛	5⅛– 1⅞	–3.08	NM	0.00	—
n	**Erbamont NV**/drugs	Neth Antilles	30	33⅝– 11¼	1.32	22.7	0.40	1.3
o	•**LM Ericsson Tel**/telecomm	Sweden	35	42¼– 23¼	1.99	17.6	1.06	3.0
a	**Etz Lavud**/wood and plastic products	Israel	13	31½– 8½	0.04[1]	NM	0.11	0.9
o	•**Fisons**/drugs	UK	36	36½– 17¼	1.40	25.7	0.37	1.0
o	•**Fuji Photo Film**/photo products	Japan	33	34⅞– 14⅜	1.66	19.9	0.09	0.3
o	•**Gambro AB**/health care equip	Sweden	13⅜	17⅜– 8¼	0.03	NM	0.04	0.3
o	•**Glaxo Holdings**/drugs, food, med equip	UK	16½	17⅝– 7⅜	0.49	33.7	0.19	1.2
o	**Gotaas Larsen Shipping**/maritime	Bermuda	30	31¼– 13	1.70	17.6	0.20	0.7
n	•**Hitachi**/electrical equipment	Japan	52¼	57⅛– 26½	2.89	18.1	0.62	1.2
n	•**Honda Motor**/autos, motorcycles	Japan	70½	75⅝– 50⅜	8.26	8.5	0.47	0.7
o	•**Huntington Intl Holdings**/lab services	UK	23½	23½– 10¼	1.10	21.4	0.00	—
o	•**IDB Bankholding**/bank holding	Israel	50	50 – 38	0.97	51.5	0.00	—
o	**IIS Intelligent Info Sys**/cmptr equip	Israel	4½	6½– 3½	0.61	6.8	0.10	2.4
n	•**Imperial Chemical Inds**/chemicals	UK	58⅜	61 – 34⅜	4.98	11.7	2.72	4.7
a	•**Imperial Group**/tobacco, food, brew	UK	5⅛	5⅝– 2¼	0.32	16.0	0.15	2.9
o	•**Instrumentarium**/health care equip	Finland	14¼	15½– 5⅜	1.29	11.0	0.19	1.3
o	**Intl Capital Equip**/financial services	Bermuda	6⅜	8¼– 3¾	–0.19	NM	0.00	—
o	**InterPharm Labs**/biotechnology	Israel	5½	6¼– 3⅛	0.04	NM	0.00	—
o	•**Ito-Yokado**/retail	Japan	94	99⅝– 40⅞	1.21	NM	0.35	0.4
o	•**Jaguar**/automobiles	UK	8	8½– 4½	0.70	11.4	0.10	1.3
n	**KLM Royal Dutch Airlines**/airline	Netherlands	19½	23⅞– 16⅜	3.06	6.4	0.51	2.6
o	•**Kloof Gold Mining**/gold	South Africa	5⅜	10⅜– 5	0.93	6.2	0.44	7.7
n	•**Kubota**/agricultural equip, pipe	Japan	41	43½– 28	0.73	56.2	0.55	1.3
n	•**Kyocera**/ceramics, electronics, optics	Japan	48½	56¼– 28½	2.02	24.0	0.40	0.8
a	**Laser Industries**/health care equip	Israel	16	18½– 8½	0.69	23.2	0.00	—
o	•**Louis Vuitton SA**/luggage, leather prods	France	38¼	49 – 16⅜	1.45	26.4	0.24	0.6
o	•**Makita Electric Works**/elec equip	Japan	36	37 – 18½	1.39[1]	26.6	0.19	0.5

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SPECIAL REPORT ON INTERNATIONAL BUSINESS

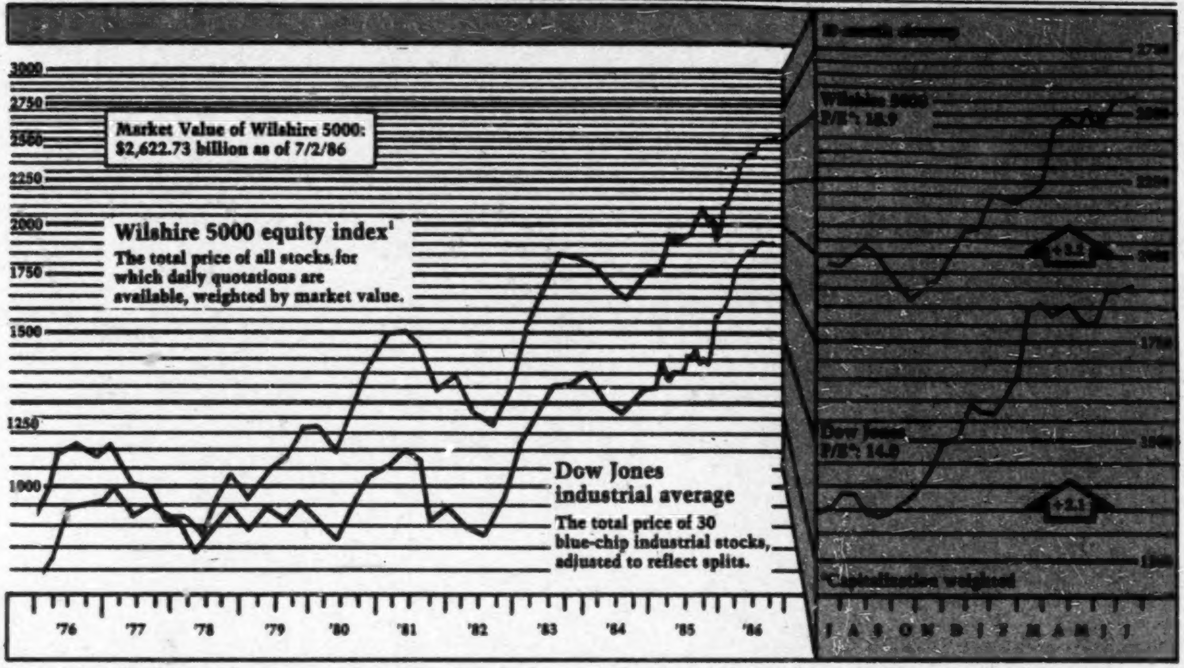
100 U.S.-traded foreign stocks

Exch	Company/business	Corporate headquarters	Price recent	Price 52-week high – low	Latest 12-mos EPS	P/E	Dividend	Yield
n	•Matsushita Electric Indl/appliances	Japan	89	99⅞– 48½	$6.91	12.9	$0.48	0.5%
o	•Minerals & Resources/invsts in fgn mines	Bermuda	8⅛	9⅝– 6⅛	0.68	12.1	0.20	2.4
o	•Mitsui & Co/trading company	Japan	54½	57¼– 28⅝	0.82¹	66.5	0.36	0.6
o	•NEC Corp/telecomm equipment	Japan	44⅞	48⅝– 18⅜	0.19	NM	0.19	0.4
n	•Novo Industri AS/drugs	Denmark	33¾	35½– 23⅜	2.56	13.2	0.34	1.0
n	•News Corp/newspapers, tv	Australia	29½	32⅞– 25⅝	−0.68²	NM	0.11	0.4
n	•Norsk Hydro AS/energy, chem prods³	Norway	21⅜	NA–NA	1.39	15.6	0.65	3.0
a	O'okiep Copper/copper	South Africa	3⅝	6⅛– 3⅜	−2.62¹	NM	0.00	—
o	Optrotech/electro-optical sys	Israel	8½	14½– 7½	0.39	21.8	0.00	—
o	•Pharmacia AB/health care equipment	Sweden	22⅞	26⅜– 14½	0.78	29.3	0.10	0.4
a	Philippine Long Dis Tel/telecomm	Philippines	5½	5⅝– 1⅛	0.76	7.2	0.25	4.6
o	Philips NV/elec equip, electronics	Netherlands	21⅜	25⅞– 14⅛	1.55	13.8	0.60	2.8
n	•Pioneer Electronic/electronics	Japan	27⅝	29⅝– 13⅝	−0.05	NM	0.10	0.4
o	•Rank Organisation/leisure services	UK	7⅝	9⅝– 4⅛	0.52	14.7	0.24	3.1
o	•Reuters Holdings/news service	UK	46	46 – 20	1.14	40.4	0.34	0.7
o	•Rodime/computer equipment	UK	9⅝	13⅛– 7½	1.06	9.2	0.00	—
n	Royal Dutch Petroleum/integrated oil	Netherlands	79	80⅝– 56⅝	10.96	7.2	4.71	6.0
o	•Saatchi & Saatchi/advertising	UK	35⅜	44½– 25⅞	2.08	17.2	0.72	2.0
o	•St Helena Gold Mines/gold	South Africa	10¼	19⅝– 8⅝	3.46	3.0	1.65	16.1
a	San Carlos Milling/sugar	Philippines	2⅛	6⅛– ⅜	−0.14	NM	0.00	—
n	Schlumberger/oilfield svcs, electrncs	Neth Antilles	32⅞	39⅝– 29	0.67	49.1	1.20	3.7
o	Scitex/computer equip & svcs	Israel	5⅜	16⅛– 5½	−2.38	NM	0.00	—
n	Sea Containers/maritime	Bermuda	24⅝	43 – 24	0.72	34.2	0.42	1.7
n	Service Resources/financial printing	Panama	12⅞	13⅞– 3⅝	−17.28	NM	0.00	—
n	Shell Trans & Trading/integrated oil	UK	48⅝	49⅛– 35⅛	5.87	8.2	2.87	5.9
n	•Sony/electronics	Japan	20⅝	23⅝– 14¼	1.64	12.7	0.20	1.0
n	Syntex/drugs	Panama	68⅞	68⅞– 28⅞	3.29	20.9	1.20	1.7
n	•TDK/audio and videotape	Japan	45⅝	50⅝– 20⅝	2.17	21.0	0.38	0.8
o	•Teva Pharmaceutical/drugs	Israel	4¼	4⅝– 2½	0.42	9.8	0.08	1.9
o	•Tokio Marine & Fire Ins/insurance	Japan	408¾	408¾–174¾	5.31	NM	1.05	0.3
n	•Tricentrol/oil & gas	UK	1⅝	5⅛– 1⅝	0.66	2.7	0.18	10.3
a	•Tubos de Acero de Mexico SA/steel	Mexico	1½	3⅛– 1½	0.76	2.0	0.00	—
n	Unilever NV/multicompany	Neth Antilles	193½	193½–101	14.43	13.4	5.65	2.9
n	•Unilever/multicompany	UK	100¾	105 – 53½	8.00	12.6	3.00	3.0
o	Universal Furniture/furniture	Hong Kong	34½	36 – 14⅛	1.68	20.5	0.00	—
o	•Vaal Reefs Expl & Mining/gold	South Africa	5½	9½– 4⅝	1.08	5.1	0.70	12.7
o	Velcro Inds NV/fastening tapes	Netherlands	30¼	36 – 27	1.76	17.2	0.92	3.0
o	•Welkom Gold Holdings/gold	South Africa	5	8⅝– 4½	0.91	5.5	0.81	16.2
o	•Western Deep Levels/gold	South Africa	25⅞	46½– 23½	6.10	4.1	2.48	9.6
a	WTC International/freight forwarding	Neth Antilles	4⅝	7⅛– 3⅝	−0.18	NM	0.00	—

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter. •American Depositary Receipts. NA: Not applicable.
NM: Not meaningful. ¹1984 EPS. ²Pro forma. ³Began trading NYSE 6/25/86.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Mountain climbing. The Dow industrials closed above 1900 for the first time and ended the two-week stretch with a 2.1% gain. Secondary issues, particularly those on the Nasdaq, gained even more. All the major market indicators except for the Amex, which was off fractionally from its record close, finished at new highs. The Wilshire index of over 5,700 securities closed the ten-day trading period with a 3.2% increase.

This market looks richly priced, from any perspective. The Dow industrials now sell at 14 times latest 12-month earnings, The Forbes Sales 500 at 17 and the Wilshire index at 19. In 1982, when the market was selling at 7 times earnings, stocks had considerable downside protection. That's because some investors, namely takeover artists, were always ready to buy shares of steadily profitable if unglamorous corporations at 5 or 6 times earnings. The same cannot be said in a market trading at 19 times latest earnings.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
In last 4 weeks	3.1	2.8	2.5	3.0	1.7	2.6
In last 52 weeks	31.6	28.5	43.9	30.7	23.1	37.7

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
In last 4 weeks	3.4	2.4	0.2	4.0	1.1	2.9	3.2	2.2	2.3	4.0	[illegible]	0.2
In last 52 weeks	32.0	49.3	71.0	33.5	32.1	42.3	27.2	54.1	64.5	41.2	47.1	32.5

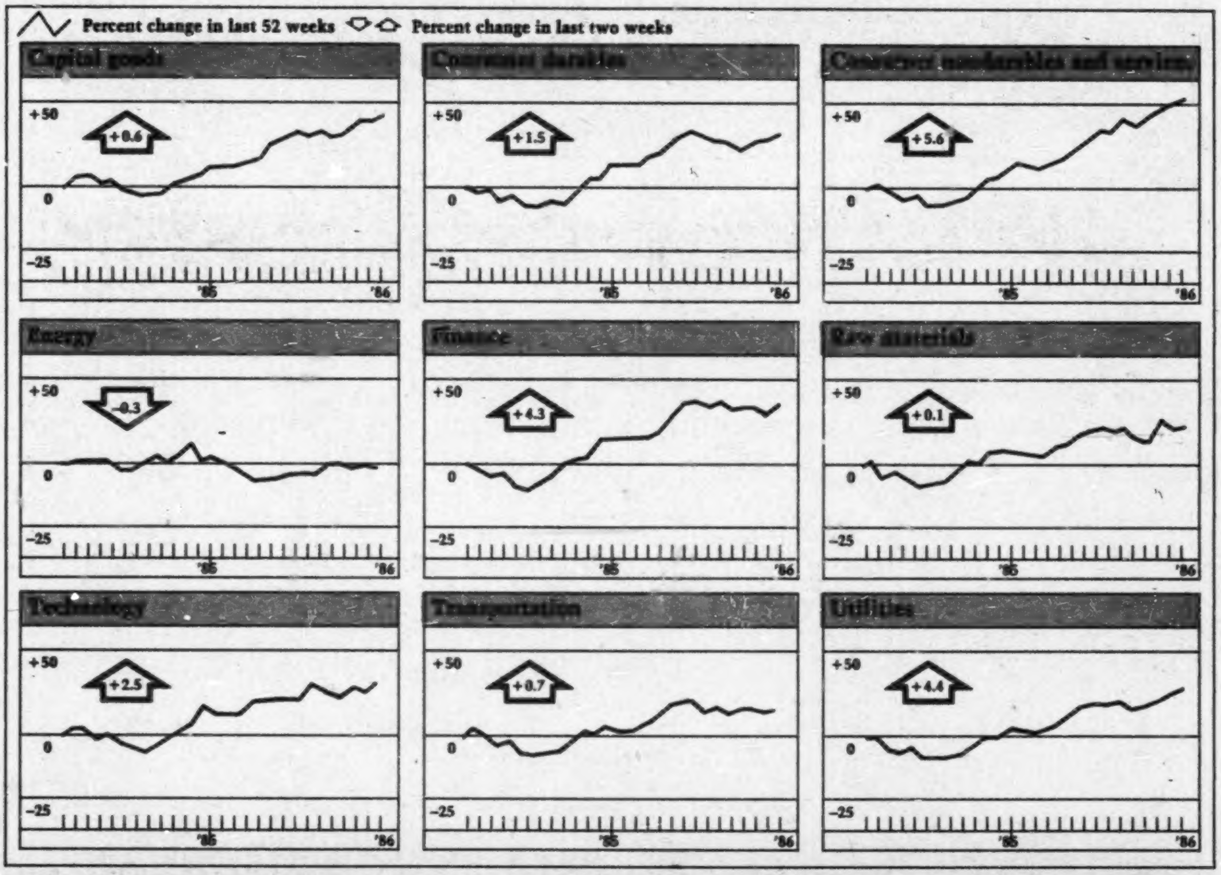
[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created.
[2] Based on sales.
[3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 7/2/86. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Merger activity hasn't stopped completely even though stocks are far more expensive than they were a year or two ago. At the top of the consumer nondurables sector, which had the best two-week performance, is Associated Dry Goods, which is being sought by May Department Stores. Associated jumped 40% in two weeks. Sanders Associates, an electronics defense contractor, gained 86% as speculators pushed the price above Loral Corp.'s $50-a-share hostile offer.

Wall Street also responded to a divestiture: ITT was up 26% after it decided to sell its telecommunications and office equipment operations. And to a possible condemnation: Long Island Lighting gained 22% on indications that New York State may take it over.



What The Analysts Think

Transportation takes a nosedive. In the last two weeks analysts reduced their 1986 estimates for the transportation group by 7.1%. Stan Levine of Lynch, Jones & Ryan, the New York brokerage firm that collates analysts' earnings forecasts, says, "Analysts are cutting ten airline and railroad estimates for every one that they increase."

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.73	17.1
1986 estimates	3.51	13.3
1987 estimates	4.08	11.5

Rank based on change in estimate	Sector	Estimated 1986 EPS	Estimated 1986 P/E	% change in 1986 estimate in 2 weeks	% change in 1986 estimate in 4 weeks
1	Consumer durables	$4.02	10.0	–0.16%	–0.12%
2	Consumer nondurables	2.25	17.7	–0.35	–0.62
3	Utilities	3.33	10.2	–0.36	–0.65
4	Finance	3.49	11.4	–0.38	–0.55
5	Raw materials	1.89	16.5	–0.42	–2.05
6	Technology	2.56	15.3	–0.82	–1.69
7	Capital goods	2.59	15.3	–1.73	–3.29
8	Energy	2.24	13.0	–2.73	–4.24
9	Transportation	2.00	14.5	–7.09	–7.67

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

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